

FINANCIAL TIMES

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NEWS SUMMARY

GENERAL

Coach crash kills nine

Nine people were killed when a holiday coach with pensioners from Brighton was in collision with an articulated lorry two miles north of Coatesgate, near Moffat in Dumfriesshire.

Thirty-six people were injured in the crash, on a stretch of dual carriageway between the M6 from England and the M74 south of Glasgow. It was the fifth serious coach accident in the U.K. this month.

The Environment Under-Secretary, Mr. Neil Carmichael, told the Commons that the Government was considering motorway restrictions on double-decker buses and coaches.

Britain cuts South African defence link

The 20-year-old Simonstown agreements, under which Britain kept a small naval mission near Cape Town in return for the sale of warships and other weapons, has been terminated in an exchange of letters between Mr. Roy Mason, the Defence Minister, and Mr. P. W. Botha, his South African counterpart. Back Page

Tory MP attacks Stonehouse delay

Commons debate on Mr. John Stonehouse should be held immediately for the sake of the reputation of Parliament, said Mr. Joseph Godber, Tory MP for Grantham and former Agriculture Minister, in a letter to Mr. Edward Short, Leader of the House. He claimed that Mr. Short's reasons for postponing the debate were "totally unconvincing".

Lucan tried to kill me—wife

Lady Lucan told a Westminster inquest that her husband tried to strangle her by thrusting two gloved fingers down her throat on the night Mrs. Sandra Rivett, her children's nanny, was murdered. Counsel for the Dowager Lady Lucan referred to a letter from the Earl to Mr. William Shand-Kyde, in which he said he was not guilty.

Japan's Premier assaulted

Mr. Takao Miki, the Japanese Prime Minister, was punched and knocked to the ground by a Right-wing extremist who had offered him a knife, inviting him to commit suicide. Mr. Miki dropped his spectacles but was not injured in the attack, minutes before the funeral of former Premier Eisaku Sato.

Pledge to Amin

Foreign Secretary James Callaghan told the Commons that "humanity prevails" over the two Britons facing death sentences he would go to Uganda in the near future to discuss with President Amin "the state of relations between our two countries". Page 12

UDA 'chief' jailed

Thomas Thompson, alleged supreme commander of the Ulster Defence Association in the U.K., was jailed for ten years at Winchester Crown Court for conspiring to contravene firearms regulations. In a raid on an Ulster Defence Regiment centre at Magherafelt, Co. Londonderry, over 200 machine guns, rifles and pistols were stolen.

Navy defies order

Prince Charles' ship, the Royal Navy carrier Hermes, defied a Canadian court order impounding her after a damage suit against two crewmen and sailed without them from Quebec harbour. The price is at home on leave.

Briefly...

BBC TV will not be covering racing at Ascot this week after the broadcasting unions agreed not to cross stable lads' picket lines.

Chief price changes

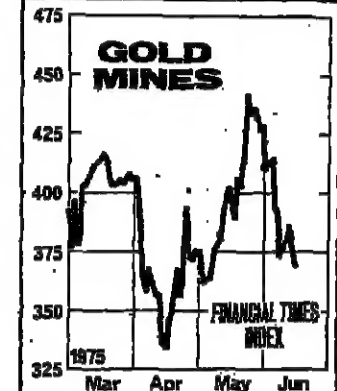
(Prices in pence unless otherwise indicated.)

RISES	
Bank of Ireland	450 + 10
Banque Ind.	91 + 6
Caffoy	38 + 6
Copper-Nickel	46 + 34
Central Manf.	611 + 4
Chown Secs.	19 + 3
Comet Radiovision	42 + 5
Dunlop (D.I.)	47 + 8
Long John Int.	168 + 26
Lyons (J.I.)	168 + 6
Marchwell	79 + 5
Nurdin & Peacock	871 + 71
Pearson (S.)	123 + 5
Petrow	120 + 8
Pilkington	300 + 5
Reardon Smith "A"	217 + 7
Trafalgar House	105 + 3
Turner Manf.	52 + 4

BUSINESS

Equities drift down 5.1; Pound weaker

● EQUITIES began the Account quietly. The FT 30-share index had crept up 1.2 points by 11 a.m. but prices drifted down to leave the index off 5.1 at 335.5.



Among second-line issues, there was a small majority of rises over falls in FT-quoted industrial shares. Gold Mines index dropped 10.5 to 369.4.

● GILTS ended with losses of up to 1 in mediums and longs, which had earlier registered gains of 1 on the May trade figures.

● GOLD dropped 25c to \$164.

● STERLING weighted depreciation equalled its record closing "low" (recorded on Thursday), opening and remaining at 26.2 per cent. (25.9). Against the dollar it lost 80 points to \$2.755. Dollar's depreciation narrowed to 6.56 (6.55) but the yen widened to 0.72 (0.74). Back Page

● WALL STREET closed 10 3/8 up at 832.56.

● POLICYHOLDERS' Protection Bill has been altered by the Government to meet objections by the insurance industry over compensation and the powers of the Secretary for Trade.

● ROVER production was halted at Solihull by a pay strike by 10,000 manual workers. Page 13

● COMMERCIAL UNION staff are to get pay increases of 13-15 per cent, backdated to June 1. This takes the rise since last June's annual deal to 37-41 per cent. Page 13

● NVT BOARD is expected to tell Mr. Eric Varley, the Industry Secretary, that it sees little alternative to complete nationalisation as a solution to the company's financial problems. Page 10

Gulf, Rockwell in merger talks

● GULF oil company and U.S. military contractor Rockwell International are holding talks on various forms of possible co-operation and amalgamation, ranging from joint ventures to a full merger.

● JAPANESE Government has launched an eight-point package of economic measures to boost demand by £2.6bn. This financial year. The move—attached as insufficient by one Minister—was announced on the same day as the May trade figures, showing a 5 per cent. drop in exports. Back Page

● LONG JOHN directors announced that talks are being held with Whitebread, that could lead to an offer for the whisky group. Back Page and Lex

● COMET RADIOVISION pre-tax profits rose from £1.16m. to £1.41m. on turnover down from £3.6m. to £2.5m. Page 23 and Lex

● CITY OF WESTMINSTER authority is to issue £2m. redeemable in 1981. Page 20

Italian Communists make sweeping advance in regions

BY TONY ROBINSON

ROME, June 16.

The Italian Communist party made sweeping gains in today's regional and local elections which signify the virtual end of the Christian Democrat party's 30-year hegemony of power and made almost inevitable the entry of the Partito Comunista Italiano into the Government arena — not immediately but in the fairly near future.

With one-third of the votes counted, the PCI has overtaken the CD Party as the largest single party in Italy, but a PCI spokesman said the final result is likely to show the Christian Democrats still ahead with around 35 per cent. of the votes, and the PCI close behind at around 33 per cent.

The most important aspect of the electoral pattern so far is that the PCI's gains, and the smaller gains of the Socialist parties, have been made not so much at the expense of the CD party but of the smaller parties.

The neo-Fascist Movimento Sociale has lost the ground gained in its 1972 General Election upsurge. The CD party has seen its share reduced from 38 per cent. at the last regional elections in 1970 to between 34 and 35 per cent. now.

The PCI gained 28 per cent. at the last regional elections. The CD party has lost ground but the party has not been humiliated. It appears to have retained from the Social Democrats and Liberals, on its right, part of its heavy losses on the Left.

The same cannot be said for party secretary Amintore Fanfani. He fought this election on a rigidly anti-Communist and anti-Socialist line and has seen both his major opponents increase their vote substantially as a result.

Sr. Fanfani has called an urgent meeting of party leaders for Thursday. The question of his leadership is bound to be one of the problems to be faced.

Two doubts

Survival of the shaky Christian Democrat - Republican government led by Sr. Aldo Moro is also clearly in doubt, and the formation of a new government under these circumstances is bound to be extremely difficult.

The pattern which has emerged from these elections is an entirely new one for a country accustomed to only marginal shifts in votes over the last 30 years. It reflects a desire for change which was expressed first in the divorce referendum last May and has now found its direct political expression.

It is a vote which confirms that the desire for change has over-

come the habitual caution of the Italian electorate. It reflects the mood of growing disenchantment with the ineffectual political results of 12 years of 'Centre-Left' coalitions and above all with the corruption, inefficiency and internal politicking which has characterised the last years of Christian Democrat control.

In many ways it also appears to be a vote against the personal immobility of Italian politics, which has seen not only the same parties, but the same men in power for decades.

In local and regional terms the results confirm the Communist or Communist-Socialist regional governments in Emilia Romagna, Tuscany and Umbria, where the ruling Left-wing parties received a massive endorsement in higher votes and have added Liguria to the list of potential "red" regions.

Marches also hang in the balance, and even Lazio, the region around Rome, has seen a considerable Left-wing advance.

The new electoral pattern also means several thousand new Communist and Socialist councillors in towns and villages

Continued on Back Page

Volume of retail sales 14% down in May

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

RETAIL SALES in May fell by 14 per cent. from the unseasonally high level reached in April during the rush to beat VAT increases.

The provisional volume index of retail sales compiled by the Department of Industry plunged from 120.2 in April (1971=100) to 103 in May.

While this brought it to the lowest level for over three years, the average of the two months taken together shows a little change from the first quarter, which at 111.5 was virtually unchanged from 111.6 in the fourth quarter of 1974.

Shop sales in May were hit not only by the reaction to the April spending spree, but also by the introduction of the Budget increases themselves.

The income tax rises, as well as higher VAT, became operative during the month.

The feature of retail sales in the U.K. for some time now has been not so much their lack of growth as the fact that they have stayed at a high level.

This has occurred despite the deepening recession, largely because the rapid rise in wages has been offset by the rise in consumer prices.

Reports from the trade now suggest, however, that behind

the distortions of the April-May period, the May index has been a genuine easing in retail sales. This is the picture presented by department store groups, although the Comet discount shop chain said yesterday

a follow-up to the larger exercise in April, the CBI found that 57 per cent. of participants in the consumer goods sector reported a fall in the value of new orders ("even in value terms") over the past four months, and only 23 per cent. recorded a rise.

In its report on the economic situation at the end of May the CBI stated: "Also on a falling trend (from very high levels) is the balance of firms expecting to increase domestic prices. For the majority of firms it is not unreasonable to assume that this reflects weak demand conditions rather than an easing in unit costs."

In general the findings of the CBI's May survey tend to run home even more strongly the picture of recession shown by the April exercise.

The intake of total new orders and of new export orders, even expressed in value terms, has fallen over the past four months for more than half of manufacturing industry, risen for less than one-quarter.

"Looking ahead," the CBI Economic Situation Committee goes on, "More than twice as many firms expect the volume of output to fall over the next four months as to rise—the continuation of a weakening trend."

That sales "are rapidly recovering" from the low levels reached after May 1.

The latest findings of the Confederation of British Industry also point to an easing in the retail market.

In their May trends inquiry,

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Rail leaders 'ready to talk'

By Roy Rogers, Labour Correspondent

NATIONAL Union of Railwaymen leaders yesterday replied to Government pressure for them to lift their strike threat by telling the Prime Minister that they were prepared to negotiate at any time on their 30 to 35 per cent. pay claim.

The strike action is still due to start at midnight on Sunday. Yesterday general secretary Mr. Sid Weighall and his negotiating committee waited for two hours at their Euston headquarters for a response from Mr. Wilson.

But when it became clear there would be no reaction from the Prime Minister before today, they dispersed.

They clearly hoped that Mr. Wilson would follow hints dropped by several senior Ministers over the week-end and urge the British Rail Board and the rail unions to reopen negotiations.

They are staying in London in the hope of talks to-day.

Mr. Denis Healey, Chancellor of the Exchequer, and Mr. Michael Foot, Employment Secretary, both gave the impression in week-end speeches that the Government might be prepared to allow a limited improvement in the railwaymen's 27.7 per cent. arbitration award to fend off

damaging strike action, but that nothing less than a full claim was out of the question.

Resolution

The NUR's 24-man national executive spent an hour discussing their Saturday night meeting with Mr. Wilson and other Ministers before unanimously backing a resolution stating that they "recognise the serious effects which would result from the rail strike. At the same time we would emphasise that the NUR claim is a just one."

"Further we are prepared to negotiate at any time to see how our case can be met."

Mr. Weighall stressed that the NUR was not approaching the BR Board for fresh talks.

The main difficulty for the Government and the BR Board is that all three rail unions, including the Associated Society of Locomotive Engineers and Firemen and the Transport Salaried Staffs Association, who have accepted the 27.7 per cent. award, will seek to share any new money put on the table.

A plan for strike-hit commuters to be given lifts to work

On the management of the economy, the CBI wants initiatives from the Government on cutting public expenditure and dealing with money supply to be part of the three-year stabilisation programme launched by the CBI's grand council last month. The CBI also wants to be involved with both the Government and the TUC in a long-term wages strategy with an annual "inflation target" initially fixed at 12 1/2 per cent. and dropping to 10 per cent. early next year.

It is these proposals, prepared last month for presentation to the Government, which CBI leaders have insisted should be on the agenda for to-morrow night's talks. They will be considered along with the TUC's document which passed through its economic committee last week envisaging possible flat-rate pay limits and the idea of pegging wage rises below a falling price rate.

But while superficially similar, the CBI and TUC ideas have several major differences which will make an understanding hard to reach. On the one hand, the TUC is unlikely to want to go to such a low inflation target as the CBI, which in turn is not in favour of flat-rate pay limits because of the upsets they cause to pay structures.

In addition, the TUC would be unlikely to fix any flat rate limit low enough to satisfy the CBI.

The TUC is also likely to want assurances on planned industrial investment and on price restraint (with some union leaders even wanting a three-month price freeze). But the CBI will not agree, because it does not believe industry can withstand heavy price controls and will also point out that investment will increase automatically once inflation is curbed.

The CBI's interest in talks with the TUC may also be undermined if unions such as the engineers' and the miners' adopt high wage claims and reject the social contract—even though the CBI has no intention of becoming involved in Labour's social contract.

Attacks on those who want to tighten the social contract wage guidelines, launched yesterday by Mr. Hugh Scanlon, therefore undermine the TUC's position at the start of its talks with the CBI and those with the Government which will follow soon.

Scanlon speech, page 13

CBI wants Government in any pay deal

BY JOHN ELLIOTT, LABOUR EDITOR

CBI leaders are expected to make it clear when they start talks to-morrow night with the TUC on ways of curbing inflation that they are not interested in striking a deal on wages with the unions that excludes the Government.

They are, however, prepared to try to reach an understanding with the TUC on ways of halving the present 25 per cent. rate of prices increases by the end of this year, with wages rises of under 15 per cent. This could be presented to the Government as a possible ingredient in an overall anti-inflation strategy.

This blow to the strategy of a CBI-TUC wages deal proposed recently by Mr. Jack Jones of the Transport Workers emerged yesterday at the same time as Mr. Hugh Scanlon of the Engineers launched his own personal opposition to any idea of cutting the size of wage increases allowed by the TUC's social contract pay guidelines.

Now the series of meetings on the country's economic and industrial affairs, which will dominate the political scene at least till the end of next month, gets under way to-day with a meeting of the National Economic Development Council, to be presided over by the Prime Minister. Later in the day Mr. Wilson will hold talks with CBI leaders on the future of the Industry Bill.

The NEDC meeting will also provide an opportunity for preliminary exchanges between CBI and TUC leaders in advance of their talks to-morrow night. These talks were called for last week by the TUC economic committee after it had started examining the wage guidelines it should propose for next winter's pay round.

Mr. Jones suggested at the meeting that talks should take place urgently with the CBI, echoing a proposal he had launched earlier that the CBI and TUC should negotiate a "collective agreement" on wages without the Government being present.

But to-morrow night, when they meet at the TUC's headquarters, the CBI is expected to make it clear that it considers such an idea impractical and undesirable. This is because of the Government's key roles firstly in the management of the economy and secondly as a major employer through the public sector.

On the management of the economy, the CBI wants initiatives from the Government on cutting public expenditure and dealing with money supply to be part of the three-year stabilisation programme launched by the CBI's grand council last month. The CBI also wants to be involved with both the Government and the TUC in a long-term wages strategy with an annual "inflation target" initially fixed at 12 1/2 per cent. and dropping to 10 per cent. early next year.

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Scanlon speech, page 13

£ in New York

	June 16	Previous
Spot	\$2.720-2.720	\$2.720-2.720
1 month	\$2.720-2.720	\$2.720-2.720
3 months	\$2.720-2.720	\$2.720-2.720
12 months	\$2.720-2.720	\$2.720-2.720

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LOMBARD The U.S. barrier to money reform

BY C. GORDON TETHER

THE GREAT international monetary reform charge rolls on and on four years after it was given additional impetus by the American decision to suspend the convertibility of the dollar and thereby finally torpedoed the Bretton Woods system—the system that served the world so well until the Americans discovered that it didn't suit their purpose any more. And it would doubtless be a very funny business indeed if it were not so deeply concerned with the future economic well-being of our entire planet.

Consider the latest developments in the tragedy. In mid-May the head of the International Monetary Fund pointed out in a lecture that the serious implications of mounting world monetary disorder that it was absolutely essential that firm action to get international reform under way should be taken at the early June conference in Paris of the "Intergovernmental Committee" set up a couple of years back to handle this task.

The conference duly assembled. And what did it produce after two days of intensive talking? The short answer is nothing. And this was primarily because, it seems, the Americans were so determined not to budge an inch on the "role of gold" issue that there was absolutely no hope of even beginning to bridge the gap between them and the French.

Two voices

Yet hardly had the conference closed before it popped up. Dr. Burns, chief of the U.S. Federal Reserve Board, to tell another international monetary conference in Amsterdam that the need to resume talks on reform of the international monetary system was urgent. And not only that. He complained that the Paris Conference had allowed itself to get side-tracked into an argument about gold and had accordingly "totally failed to discuss this basic question."

Who, then, is kidding whom? It is a case of the left arm of the U.S. international monetary policy machine—it was the top boss of the Treasury that was doing the talking at the Paris talks—not knowing what the right hand is doing. Or is this all part of a long-standing Washington policy of standing in the path of progress in this field, with the help of a suitably intransigent negotiating position, while affecting to be wholeheartedly in favour of?

The Wall Street Journal pinged round the truth of the matter a week or two back when, in a remarkably outspoken com-

ment on U.S. international financial behaviour, it accused the Treasury of gross dereliction of duty in relation to the world monetary situation.

A Treasury secretary, it said, had to wear many hats and in the present incumbent—ex-Wall Street bond-house man William Simon—had worn most of them "with exuberance, even panache." But there was an extremely vital one that he had refused to don. He had shown absolutely no interest, the paper said, in international monetary reform, and, for all it knew, those officers at the Treasury that should be peopled with monetary technicians and architects had been vacant for a year.

The right time

The Americans have, of course, tried to justify this giant-sized elaboration of their long-standing so-called policy of "benign neglect" of international monetary affairs on the grounds that world economic conditions are now so turbulent and attitudes to reform so much at variance that it would be impossible to secure anything approaching agreement on the creation of a new structure. But, as the Wall Street Journal pointed out, if the world is allowed to drift on in the way it is doing at present, there may never be a right time to get started.

The real explanation for the "vacancy at the Treasury" can only be that Washington has decided that this is what suits its interests best. Its ridiculous stance on gold—even the most commonsense proposals for regularising the situation in this field are now dismissed as "extremist"—is obviously rooted in a continuing belief that any concession here will add materially to the metal's threat to the dollar. Similarly, it has evidently been decided that whatever consequences it may have for the world as a whole, the indefinite prolongation of the floating rate regime will provide the U.S. with valuable room for manoeuvre that it would be inadvisable to forego.

Perhaps, now that the immensity of the disservice the U.S. policy-makers are doing to the rest of the world has begun to attract suitably trenchant comment at home, we shall see a change of heart in Washington. But, failing that, other countries will have to adopt a more outspoken attitude in their approach to international monetary issues. The IMF has given them a lead. They cannot afford to pass it up.

RACING 'Imperial' best for Queen Anne

BY DOMINIC WIGAN

THE FOUR-DAY Royal Ascot could have been extended at will. Likely to have improved further as a result of that initial run of the season, he will be well suited by the prevailing fast ground. I find it difficult to envisage defeat for him.

Boldboy, blundered for the first time, seems sure to give a good account of himself, even with the formidable burden of 9 st 5 lb. He and the much-improved Jumpsouth, bidding for a hat-trick, may fill the minor places.

After partnering Boldboy, Joe Mercer—slipped by many to be the leading jockey at the meeting—renews association with Imperial March's stable companion, Hall the Pirates, in the day's most valuable event, the Prince of Wales Stakes, for which there is £10,000 in added prize money.

Though this tough five-year-old

ASCOT

- 2.30—Imperial March**
- 3.05—Glacemott
- 3.45—Cadenus Lane
- 4.20—Rehearsal**
- 4.55—Light Duty**
- 5.30—Zolchoski

will not be easily beaten, I doubt him reversing the Brigadier Gerard placings with Rymer and Glacemott.

Glacemott may have been a shade backward at Sandown, and although Rymer has his measure on the form-book, I expect Price's charge to return to winning form.

There have been few more impressive performances by a two-year-old this season than that put up by the West Hales trained Rehearsal when he totally outpointed his rivals in Haydock's Skelmersdale Stakes three weeks ago, despite running green.

I fully expect Lord Porchester's half-brother to Matinee to follow up in the Coventry Stakes (4.20). Galway, the probable favourite, ridden by Lester Piggott, also showed signs of inexperience when making a winning debut at Sandown recently and he may follow the selection home.

A second probable winner for the Herts and Mercers team associated with Rehearsal is the Ribblesdale Stakes, Boldboy's mount, Boldness, the 2nd best eye as the 2,000 Guineas, should surely be capable of following up in the St James's Palace Stakes.

SALEROOM Botanical books top £100,000

BY ANTONY THORNCROFT

THE FIRST part of what is likely to be the finest library of botanical books to come on to the market, from the Stiftung für Botanik in Liechtenstein, was sold at Sotheby's yesterday for £106,041. The books were collected by Dr. Arpad Plech, a Hungarian who died last year.

The highest price was the £16,000 (well above the £10,000-£12,000 forecast) paid by Kistner, a Nuremberg dealer, for the 1815-1816 North (from Leeds) Brass Route: North-West (from Manchester) Ballad of the North-West: North-East (from Newcastle) Land to Mouth: Midlands (from Birmingham) That Final Year West (from Bristol) Cities Jazz Band: South-West (from Plymouth) South (from Southampton) Keatses: East (from Norwich) On Camera.

At Christie's there was a successful sale of English porcelain which suggested an upturn in prices in this particular market. The London dealer Ferninger was particularly active, acquiring the top five lots. He paid £6,000 (more than £1,000 above the best estimate) for a rare Chelsea acanthus leaf teapot and cover, and £3,360 (estimate £1,500-£2,200) for a pair of Chelsea dishes.

Among the other good prices were the £1,680 paid for a Worcester yellow ground saucer and bowl, and the £1,100 for a pair of English green ground vases, painted with flowers. Ferninger also gave £1,575 for

WINE White wines for summer

BY EDMUND PENNING-ROWSELL

THERE IS A convention here in Britain that in summer we drink different wines than at other times of year. How valid is this?

It is not a case that would win much support in the wine-producing countries, save that in Oporto one would not find much vintage port being opened, but then the old tawny is anyhow often preferred; while in Jerez really dry fino is the fashionable drink, so that even in winter no "cream" sherry is likely to be found on the table.

In Italy they might eschew Barolo and stick to Chianti or Valpolicella, and in Burgundy there may be a slight summer preference for the lighter white wines and the softer Côte de Beaune and Côte Chalonnaise reds, but they would no more think of drinking red Bordeaux than the Bordelais would turn to Chambertin in the depths of winter.

Strength

What is true is that there is in summer a tendency to drink more white wine. It is widely believed that white is "lighter" than red, but in terms of alcoholic strength this is by no means always true. Certainly the German white wines are often low in degree, particularly the Moselles, but white burgundies are often stronger than the reds. (Recently I drank a 15-degree Montrachet 1828!).

On the palate it is by no means easy to estimate the strength of a wine, yet in effect there is often more in the difference of a degree or so than meets the eye or the tongue. A 13-degree wine is notably stronger than a 12-degree one. So while one may at a relaxed sitting comfortably drink a 10-degree Moselle without feeling any after-effects, it is not so with a 11-degree white Graves, let alone a 12-degree Meursault.

However, most would agree that if the weather is warm, lighter wines are more refreshing, and of course the great advantage of white wine is that it is best served chilled—though not frozen, as that destroys both bouquet and taste. And another advantage is that it can be drunk more suitably in the open air than red: or at least red of any quality. For the latter is easily ruined by over-heating; the aroma disappears, the wine tastes cooked and excessively acid. This is generally regarded as safe maximum temperature for red wine is 70°F.

White wine, however, may be quickly cooled in an ice-bucket, or more slowly in one of those ice-boxes so useful for picnics. But if it is in an ice-bucket, the wine should not be left long; after about ten minutes champagne and other sparkling wines may be degraded; and the ice bucket should be filled mostly

with water and the ice added, not just ice alone.

What, then, are the white wine candidates for light summer drinking? As implied above, German wines surely come into their own at this time of year. The luscious variety tastes never so delicious, and among the dry types the Moselles score in particular for they are lighter in flavour and often in strength than the heavier Palatinates and Rheinhessen wines.

Moreover the great majority of Moselles are produced from the Riesling grape, giving much more delicate wine than the heavier Müller-Thurgau variety so widely grown in the other two areas.

Moselles

In summer weather, freshness in a wine is particularly attractive, and this, coming not from tannin, but from the natural acidity in a wine, yielding crispness and counteracting the flatness to which much white wine is subject—notably non-descript white Bordeaux.

The Moselles most likely to have this fresh quality are those from the Saar and Ruwer tributaries that flow into the main river near Trier. The leading Saar village names to look for on labels include Berncastel, Kyllburg, Wilhelmsberg, and Cammer, the much smaller Ruwer has Kessel, Eitelsbach and the splendid Schuth estate of Maximum Grünhaus. The best recent German vintage is, of course, '71, and this can still be bought at prices reasonable in terms of German wines. Otherwise the '72s are acceptable, if sometimes over-sweetened, while the '73s are light and agreeable.

The obvious alternatives to German wines are the Alsaces. If they lack the elegance of the finer German wines, they are usually well-made, well-balanced wines that will survive impulse opening and what may be called "picnic treatment". They are less expensive than the finer German wines, and for price and quality the Alsaces are hard to beat. The best recent vintage was '71, which was also the best recent year, the equable Alsace climate made for a vintage in comparison with the rest of France.

Elsewhere in France the Loire is the obvious source of many summer wines; and as an ideal aperitif I would put Sparkling Saumur. Now that for a variety of reasons champagne looks expensive, Saumur is a really attractive alternative that is usually sold at a retail price in serving to the most fastidious of connoisseurs. It is not so elegant as the finer champagnes, though fruitier than many of those pejoratively described as "wedding champagne".

Saumur is made by the champagne method from the local Chenin grape, and it has much

more aroma and flavour than the well-advertised sparkling wine caused by the technique of induced secondary fermentation. It is significant that in the few years more than one large Champagne house has taken an interest in Sparkling Saumur.

The reason why it has not caught on as much as it deserves is probably similar to the backwardness of armagnac in relation to cognac; the arms are not large enough to afford the big publicity campaign apparently necessary these days to put a wine or spirit on the map. The leading firms include Ackerman-Laurence, Verne, Amiot, Bouvet-Lapierre, Grateau, and others. In the U.K. the largest producer is probably Grateau and Meyer. Another excellent French champagne-method sparkling wine is Seyssel from Savoy, a dry and very delicate.

Among the still Loire wines for al fresco drinking are Muscadet, Pouilly-Fumé, and Sancerre. Muscadet is modestly priced, is a fresh wine, complicated wine, admirable without undue attention. It can be stronger than at first appears. In order to keep it fresh, best bottled at source. The '71s are good to dry.

The other two wines from the upper Loire are Pouilly-Fumé and Sancerre. Pouilly-Fumé tends to be drier, Sancerre more flowery and softer, though both are made from the Sauvignon grape and produced almost opposite one another across the river. For both the best recent vintage was '71, but, rather unexpectedly, Sancerre produced an above-average vintage last year too.

Admirable

A white wine of particular appeal in the summer is what until recently has been called still champagne; but last year was awarded an appellation contrôlée of its own—Coteaux Champenois. Prohibited from entry into the U.K. until it joined the EEC, it still remained much the same as the champagne; for both are governed by the high price of grapes. Now, however, there is a surplus rather than a deficiency of wine on the market, the still wine is much cheaper. Most and Chandon have been lately selling at a retail price of around £2.40 a bottle. Crisp, dry and fresh, with more than a hint of the sparkling wine's flavour, this is an admirable wine for this season. Others are for the market too, notably Laigne, and many more. It is a reinforcement to this market wine that used to charm our fathers and grandfathers.

TV Radio

BBC 1
† Indicates programme in black and white.
9.30 a.m. For Schools. Colleges.
1.05 p.m. Dign on Kifedod. 1.30 Ring-a-Ding. 1.40 Thomas. 1.45 News. 2.02 For Schools. Colleges. 2.30 Regional News (except London). 4.00 Play School. 4.25 Fureberley. 4.30 Hound. 4.35 Jackanory. 4.50 Kim and Co. 5.15 Animal Magic. 5.40 Roadbar. 5.45 News. 5.50 Nationwide. 6.50 The Little House on the Prairie. 7.40 Sykes. 8.30 Sutherland's Law.

BBC 2
9.00 News. 9.25 The Shah of Iran. 10.15 Going Places. 10.45 Midweek. 11.20 Regional News. All Regions as BBC 1 except at the following times: Wales. 5.15-5.40 p.m. Billdown. 6.00-6.30 Wales Today. 6.50-7.10 Heddies. 7.10-7.40 R. Oedden. 7.40-8.00 Play School. 8.30-8.45 Folk Scene. 11.20 News of Wales. 11.25-11.50 p.m. Reporting Scotland. 10.15-11.00 Churchill's People. 11.05-11.20 Reunion. 11.20 Scottish News Summary. Northern Ireland. 5.50-6.00 p.m. Northern Ireland News. 6.00-6.30 Scene Around Six. 10.15-10.45

ENTERTAINMENT GUIDE

ATV MIDLANDS
12.30 a.m. Show 1. 1.30 a.m. Show 2. 2.30 a.m. Show 3. 3.30 a.m. Show 4. 4.30 a.m. Show 5. 5.30 a.m. Show 6. 6.30 a.m. Show 7. 7.30 a.m. Show 8. 8.30 a.m. Show 9. 9.30 a.m. Show 10. 10.30 a.m. Show 11. 11.30 a.m. Show 12. 12.30 a.m. Show 13. 1.30 a.m. Show 14. 2.30 a.m. Show 15. 3.30 a.m. Show 16. 4.30 a.m. Show 17. 5.30 a.m. Show 18. 6.30 a.m. Show 19. 7.30 a.m. Show 20. 8.30 a.m. Show 21. 9.30 a.m. Show 22. 10.30 a.m. Show 23. 11.30 a.m. Show 24. 12.30 a.m. Show 25. 1.30 a.m. Show 26. 2.30 a.m. Show 27. 3.30 a.m. Show 28. 4.30 a.m. Show 29. 5.30 a.m. Show 30. 6.30 a.m. Show 31. 7.30 a.m. Show 32. 8.30 a.m. Show 33. 9.30 a.m. Show 34. 10.30 a.m. Show 35. 11.30 a.m. Show 36. 12.30 a.m. Show 37. 1.30 a.m. Show 38. 2.30 a.m. Show 39. 3.30 a.m. Show 40. 4.30 a.m. Show 41. 5.30 a.m. Show 42. 6.30 a.m. Show 43. 7.30 a.m. Show 44. 8.30 a.m. Show 45. 9.30 a.m. Show 46. 10.30 a.m. Show 47. 11.30 a.m. Show 48. 12.30 a.m. Show 49. 1.30 a.m. Show 50. 2.30 a.m. Show 51. 3.30 a.m. Show 52. 4.30 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WORLD TRADE NEWS

Japan, Russia have 'abandoned' Tyumen oilfield project

TOKYO, June 16. THE PROPOSED project for Japan and the Soviet Union jointly to develop the Tyumen oilfields in Western Siberia has effectively been abandoned, a Japanese spokesman for the Japan-Soviet Business Cooperation said here.

The project was not included in recent discussions in Tokyo by Japanese and Soviet representatives of the Joint Committee, he explained.

The Japanese side made clear at the committee's annual meeting last October that it could not accept the Soviet terms. They required Japan to advance about \$3.1bn. in credits and receive up to 25m. tonnes of crude oil a year, he said.

The Soviet side had made no new proposals and the project could not be considered shelved, the spokesman added. The project was dropped purely on economic considerations.

Press reports here, however, said a major stumbling block was Soviet insistence on building a second trans-Siberian railway instead of a pipeline to transport crude oil part of the way from the oilfields to the Soviet Pacific port of Nakhodka for shipment to Japan.

The proposed railway, which would run close to the sensitive Sino-Soviet border, was unpopular in Peking, and Japan, which has been increasing

imports of Chinese crude oil, was unwilling to become involved, the reports said.

The committee spokesman, while effectively writing off Japanese participation in the Tyumen project, declined to rule out the possibility of Japan participating in developing other Siberian oilfields closer to Japan.

Other Siberian projects in which Japan is involved include development of natural gas, coal and timber resources.

Reuter

Contracts Abroad

CONDOTTE D'ACQUA (IRI Italian State-controlled group) has won the order to construct a commercial port and infrastructure costing \$10m. at Bandar Abbas, Iran. The contract will be signed within a month, with work then starting and taking four years. Condotte heads a consortium of Mantelli et Cie, Dragomir, Italedil and Construzioni Mercaniche Finsider. The port will be on the Straits of Hormuz, with 6.5 kms of wharves.

MONTREAL ENGINEERING (Montreal, Canada) will design and serve as project manager for a Nigerian Government \$400m. hydro-electric development on the Niger river. The station will develop 500MW.

SIXON-CARVES AUSTRALIA will construct for \$566,000 a natural gas treatment plant at the Moomba site of Santos.

Bulgarian plans to modernise industry

BY DAVID LASCELLES, EAST EUROPE CORRESPONDENT

BULGARIA WILL spend three quarters of its investment budget in the next Five Year Plan, starting in 1976, on modernisation and reconstruction of industry, a senior member of the Sofia government said in London yesterday.

Mr. Nacho Papazov, the Minister responsible for technological innovation and a member of the "inner cabinet," said half the money would go on new projects.

The minister was speaking at the end of a visit to Britain during which he met Mr. Peter Shore, Secretary for Trade, and specialists in science, research and management.

LRC to enter Japanese market

By Charles Smith, Far East Editor

TOKYO, June 16.

LR INDUSTRIES, a member of the LRC (formerly London Rubber Company) Group, plans to become the first company to break into the Japanese market for contraceptive sheaths.

The company has reached agreement with Fine Chemical Corporation, a Japanese concern specialising in import and distribution of chemical products, to start importing its contraceptives in September.

The hope is to sell about \$100,000 worth in the first year of trading. LR Industries has had to re-design its contraceptives specially for the Japanese market. The company believes, however, that potential demand should fully justify the investment involved.

Japan is the world's largest market for contraceptive sheaths, with an annual consumption of around 80m. gross. Apart from contraceptives LR Industries is already selling a range of rubber products, including surgical and sanitary gloves through Fine Chemical under a recently-signed sales agreement.

The company originally hoped to achieve Japanese sales of around \$250,000 during the first full year of the agreement, but now thinks the total may reach \$350,000.

Wimpy bars for Latin America

BY HUGH O'SHAUGHNESSY

WIMPY INTERNATIONAL, a food subsidiary of J. Lyons, is beginning a major franchising effort in Latin America which it is hoped will result in the opening of 500 Wimpy bars in the region over the next ten years. There are 1,400 Wimpy bars in 36 countries of the world, nearly two-thirds outside the British Isles.

In São Paulo, the industrial capital of Brazil, Wimpy has its first foothold. The company expects to expand to Rio de Janeiro within a few months, and later move on to Venezuela and Colombia. The average holder of a franchise, it is estimated, could recoup an initial capital outlay of about \$20,000 in one or two years.

Wimpy is going into partnership with local interests in the marketing of franchises. They normally cost a flat fee of \$2,000, plus a royalty of 4 per cent on net sales.

Mr. Minoo Randeria, Wimpy International commercial director, and Mr. John Servent, manager for South and Central America, say that Wimpy bars have caught on in São Paulo in particular because there are few eating places available to city workers. They are the cheapest sandwich bar and the expensive restaurant.

An attractive future is foreseen in Latin America, where the proportion of the population living in the cities is increasing rapidly. In 1970, 56 per cent. of Latin America's 253m. people lived in cities. By 1980 63 per cent. of a population of 377m. will be city dwellers. By 1990 São Paulo should be the fourth biggest city in the world, with a population of nearly 17m.

Wimpy International's first bar in São Paulo was opened in the suburb of Santo André. The first city centre location will open in a few weeks' time. The company feels that the dearth of eating places is much greater in the suburbs of Latin American cities than in the city centres, and that the possibility of success is far greater in the suburbs.

This view has been borne out in Egypt, where one of the most prosperous of Wimpy operations was inaugurated a few years ago. The company does not feel abashed at having long-term plans to tap the franchise potential for minced hamburgers in Argentina, where breakfasts at cheap prices have to be seen as a staple item of diet.

Although Wimpy International has no plans to expand into Argentina at the moment it would like to see an expression of interest in Argentina or any other Latin American country.

Wimpy trading profits in 1973-74 at home and abroad were \$1.1m. or 5 per cent. of the Lyons total, but in the past year the proportion should have risen. In 1970-71 the international division of Wimpy contributed only 5 per cent. of the profits of the whole Wimpy operation. For 1974-75 it rose to 25 per cent., and by the end of the decade should have reached 40 per cent. Profits this year are said to be a population of 377m. 276 per cent. above 1970-71.

UNCTAD attack on restrictive practices

BY OUR ASIA CORRESPONDENT

RESTRICTIVE TRADE practices by companies in the rich countries are preventing the developing nations from building up their own industries in such vital areas as book publishing, the pharmaceutical and petroleum industries.

This is stated by the secretariat of the United Nations Conference on Trade and Development (UNCTAD) in a report to be presented next week to its Committee on Manufactures.

Besides preventing the growth of industries — and thus jobs — in the poor countries, the restrictive practices often drain valuable foreign exchange resources by making the developing countries pay higher prices than they would if they had their own industries. The secretariat suggests an international code of conduct to prevent abuses.

In the section on book publishing the U.S. and U.K. are singled out for the way they have won control of the English language market. The UNCTAD team points out that books are vitally needed by the developing countries to spread education.

U.S. and U.K. publishers retain a monopoly market position in three ways: they operate an international market cartel, dividing the world market

between them to avoid direct competition; they have price fixing arrangements; and the U.S. copyright law offers additional protection.

In the U.S. authors (whether nationals or residents) must have their books printed and bound in that country to receive copyright protection. The secretariat says that Argentina, Hong Kong, India and Mexico are all hit by that provision.

In the pharmaceutical industry 12 transnational corporations hold a dominant international market position. Even in the developed countries have taken measures over restrictive practices and pricing policies of the

multinationals control the market "through a variety of restrictive practices," including mergers, takeover and the use of patent and trade mark rights. Drug prices set by the transnationals vary from country to country according to what the market will bear, and suppliers often overcharge for essential ingredients.

On the petroleum industry, UNCTAD points out that various developed countries have taken measures over restrictive practices and pricing policies of the

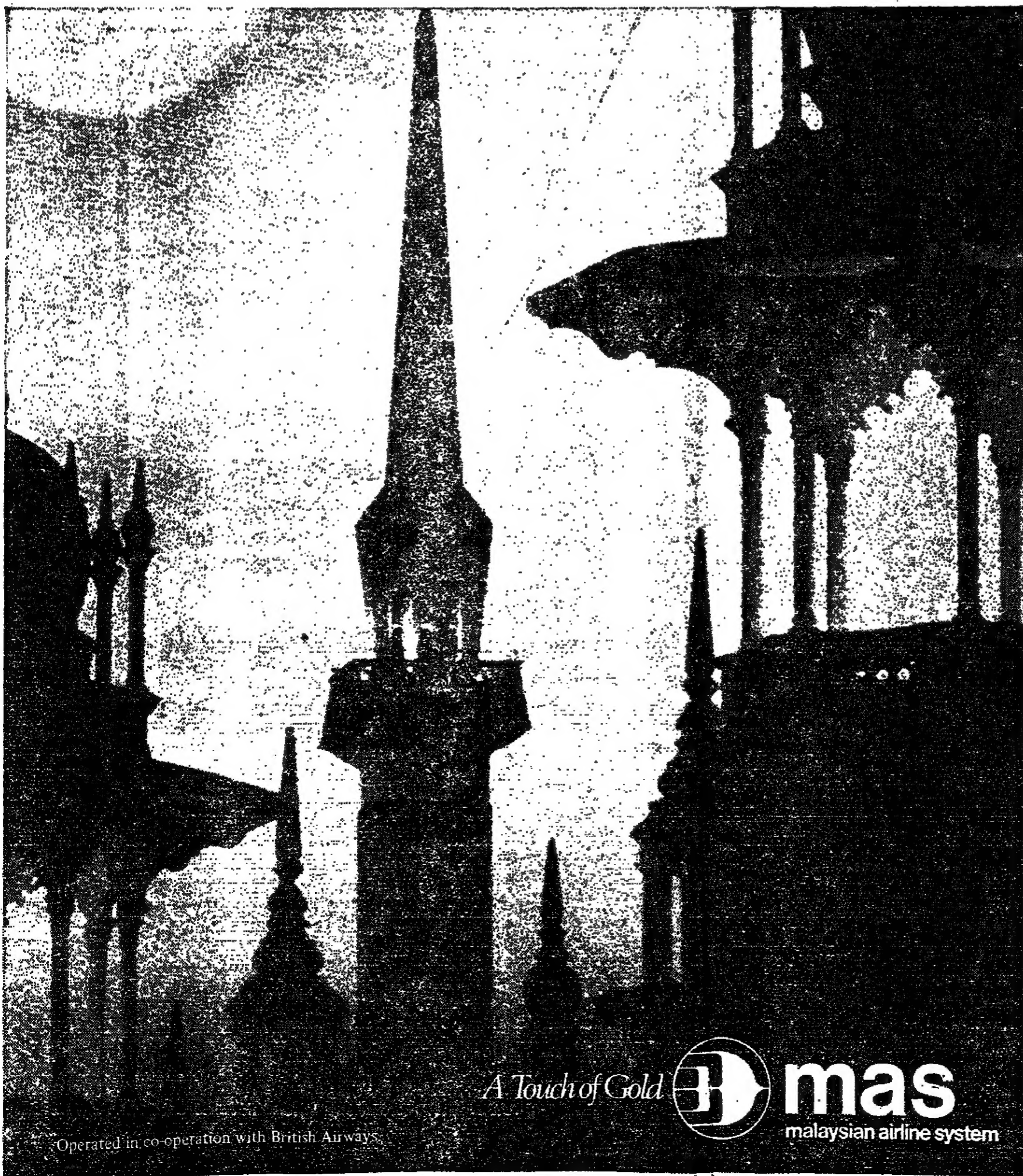
Asia?

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A Touch of Gold

mas
malaysian airline system

Operated in co-operation with British Airways

Swiss clothing industry problems

BY JOHN WICKS

ZURICH, June 16.

THE CAPACITY of the Swiss clothing industry is currently being utilised to an average of only about 70 per cent, the annual meeting of the Swiss Clothing Manufacturers' Association was told. Dr. D. Cadruvi, president of the Association, said the situation had deteriorated substantially, with some 15 per cent. of the 980 factories having cut production between September, 1974, and March this year.

Since April, over 30 per cent. of all undertakings were attempting to counter difficulties by short-term working and compulsory holidays. Some 10,000 employees out of a total of 42,000 are believed to be on short time. Between January 1 and May 31 800 employees were dismissed, and further redundancies are expected in the second half year.

Dr. Cadruvi called for State support "within certain limits" for production and employment levels in the industry. He wanted measures against low price imports, obligatory indication of product origin and Government steps against protectionist rules in exporting countries. As examples of the latter, Dr. Cadruvi quoted import licences and control rules in the U.K., Belgium, Holland and France, import deposits in Finland and special import levies in Portugal.

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The U.K. share of the total German men's wear market remains very small, however, when compared with that of other EEC member countries, and is concentrated very largely at the top end of the market.

British men's wear manufacturers sold goods to the value of DM14.4m. (\$2.67m.) in West Germany last year — a 6 per cent. gain on 1973 and 50 per cent. above 1972. With the German

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Exhibitions

British companies are expected to make up the biggest single overseas representation of the 750 companies at the International Men's Fashion Week (Cologne, August 22-24). Nearly half will come from outside Germany, including 60 from Britain.

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AMERICAN NEWS

Supreme Court upholds ruling against AT and T

BY GUY DE JONQUIERES

THE U.S. Supreme Court let stand today an order by the Federal Communications Commission requiring American Telephone and Telegraph to provide interconnection services to specialised communications carriers.

In fact, AT and T has already

bowed to pressures from the FCC, reluctantly granting interconnection rights to MCI communications of Washington, DC, and other private line companies. But the Supreme Court's tacit endorsement of the FCC order underscores these arrangements with the full force of law.

Before negotiating an agreement with the FCC last April, AT and T had repeatedly refused to grant interconnection rights to MCI and other smaller companies which compete with the Bell system in providing long-distance specialised communications services, mainly to business customers.

NEW YORK, June 16.

Private line companies operate radio microwave circuits running between major cities, which can be used for voice communication, the transmission of computer data and other purposes. To link a customer to a terminal, the companies use AT and T telephone circuits.

AT and T had objected particularly strongly to MCI's so-called Executive service, which enables business customers to make long-distance telephone calls using MCI's interstate circuits. AT and T argued that this deprived it of revenues and amounted to outright competition in the long-distance field.

Dollar issue solution sought

BY PAUL LEWIS, U.S. EDITOR

WASHINGTON, June 16.

FOLLOWING LAST week's stalled talks on monetary reform in Paris, the U.S. authorities are now apparently trying to inject new momentum into the negotiations by offering to widen their scope to include the old problem of the dollar overhang again.

In speeches to the American Bankers Conference in Amsterdam over the weekend, both Dr. Arthur Burns of the Federal Reserve and the Treasury Secretary, Mr. William Simon, suggested that the IMF negotiators should now aim for a broader package of reforms that might include the whole problem of excess liquidity in the world caused by the outflow of dollars from the U.S.

In particular, Dr. Burns mentioned again the possibility of arranging a substitution account with the IMF, through which countries with excess dollars in the reserves could exchange these for Special Drawing Rights, as well as an increase in

the size and duration of the federal reserves swap networks with other central banks.

The Treasury Secretary's remarks were somewhat less enthusiastic than those of Dr. Burns—but this is not surprising since only a few weeks ago he told a Congressional committee that the U.S. was no longer interested in funding held dollar balances, since in a floating system it believed that all dollars were now willingly held. Nevertheless, both Mr. Simon and Dr. Burns agreed that the monetary reform talks should now be broadened beyond the narrow issues of gold and floating exchange rates—over which they broke down in Paris—to deal with "the basic question of excess monetary liquidity."

The funding of excess dollar balances held outside the U.S. by foreign Governments was one of the agreed objectives of the monetary reform exercise begun in 1972 after the Nixon administration devalued the dollar and

declared it inconvertible. However, along with most of the remainder of this blueprint for a new monetary order, it was swept away by world inflation and the oil price crisis.

By reviving the overhang question now, the U.S. may be seeking both a tactical and a longer term advantage. In immediate terms, the offer may appear an American "concession" which could improve the atmosphere in September when Ministers again take up the issue left unresolved in Paris and try to reach agreement on reducing gold's monetary hold and on new rules for floating.

But it is also true that agreement is probably more important than ever this September for the U.S., which already sees the Common Market countries moving back towards more fixed exchange rates through their "snake" and fears that without swift international action, they may be encouraged to develop a gold bloc as well.

IBM amends satellite participation plan

BY CHRISTOPHER LORENZ

IN AN ATTEMPT to secure official approval, International Business Machines has amended its controversial plan to enter the satellite communications business.

In February, the U.S. Federal Communications Commission rejected the joint petition by IBM and Comsat which would have given IBM a 55 per cent stake in CML Satellite Corporation and Comsat 45 per cent. But the FCC, which is anxious to boost competition and traffic in the nascent satellite communica-

tions business, left the door open with a series of alternative options.

IBM and Comsat replied in the spring that the language of the FCC's response gave them "serious concern" and that they would decide as soon as possible, not only how, but "whether" to proceed.

While they are still unhappy about the language—on the grounds that the conditions are subject to different interpretations and in some cases appear unworkable—IBM and Comsat have now agreed to the Commission's "balanced CML" option,

which would introduce at least one more shareholder into the partnership with a stake of over ten per cent.

The apparent intention behind this proposal from the FCC was to limit IBM's influence on the provision of satellite communications, which in future will become a crucial sector of telecommunications for the long-distance transmission of data as well as voice traffic.

"Preliminary discussions with potential partners have commenced," the two companies have told the FCC in a letter. But names are being withheld for the present,

TWA sells more Jumbos to Iran

By Jay Palmer

NEW YORK, June 16.

TRANS WORLD Airlines, desperate for hard cash to bolster up its slumping domestic operations, has sold three more Boeing 747 Jumbo aircraft to the Iranian Government for \$89.5m. This sale of 747s is TWA's second to Iran this year—in January the airline sold six for \$99m, and said that it was discussing the sale of six more.

TWA sold its nine aircraft, which originally cost about \$25m each, at \$16.5m apiece, or well under current depreciated book value. Although the airline this morning confirmed that no further 747s would be put up for sale (TWA's Jumbo fleet now totals 10 aircraft), it is understood that the Iranian Government has been offered, and is considering purchasing, a few Lockheed L-1011s.

While this current loss-making sale will clearly avert the possibility of TWA being forced into bankruptcy, its desperate plight remains. Last week the airline, applying for a 1975-76 federal cash subsidy of \$24.1m, forecast a domestic loss of \$124.2m, and warned that it was "perilously close to a last-resort situation."

TWA's increasing financial difficulties, unlike those of Pan American World Airways, stem from a very large extent from its domestic operations. Rising costs have eliminated narrow profit margins, while the U.S. airline fare price war continues to cut returns without any compensating increase in passenger traffic. While Pan Am's problems of overseas petrol price increases remain, its solvency is now all but assured by the imminent signing of the airline's special deal with Iran.

Nato nuclear meeting opens

MONTEPELIER, June 15.

DEFENCE MINISTERS of the North Atlantic Treaty Organisation (Nato) open a two-day meeting here to-morrow amid concern over the number and deployment of nuclear weapons in Europe.

The meeting of the Nuclear Planning Group, which is made up of the defence ministers of Belgium, Denmark, West Germany, Italy, Turkey, Britain and the U.S., is the first of its kind in the U.S. since 1969.

THE ARGENTINE ECONOMY

Sr. Rodrigo's blockbuster

BY ROBERT LINDLEY, BUENOS AIRES CORRESPONDENT

ARGENTINES have a word for the "Rodrigo" or "Rodrigo Blockbuster" which hit them when Sr. Celestino Rodrigo, an industrial engineer and their third Minister of Economics since the Peronists resumed power, put through the biggest devaluation ever of the Argentine peso and set off a series of breathtaking price rises.

Many of the consequences are already much in evidence: shops, from the smallest to the largest, are closed long enough for prices to be marked up, although the makeshift little signs on the locked shutters usually proclaim "closed for inventory" (at a time of the year when inventories are never taken in Argentina). The shops and supermarkets which brave the onslaught with open doors are virtually raided and their shelves left empty by shoppers desperate to buy what they can before the full impact of the "Rodrigo" is felt. The Buenos Aires traffic problem is suddenly solved by the increase in petrol prices (17.2 per cent, in the case of high-octane petrol), so that the one-time motorists leave their cars at home and take the train, tube or bus instead.

The full impact of these new measures taken by Sr. Rodrigo are likely to be felt before the end of the month, by which time the doubled (in some cases tripled) prices for most services and commodities—including necessities—will have drained the purses of many families. President Maria Estela Martinez de Peron has granted an increase of the new peso equivalent of 66 per cent, on the basic monthly wage, but this has brought satisfaction to hardly any wage-earner. The wage negotiating committees were supposed to have come up with new agree-

ments by May 31. So far however only four unions, all of them minor ones, have accepted the Government's original offer of 33 per cent rises.

Now the Government has set Thursday as the deadline for the unions to accept Sr. Rodrigo's increased offer of 45 per cent. In general the unions are asking for 100 per cent, to cope with the increased cost of living. It was precisely this which caused

any other—Government in Argentina are obvious. The "International Monetary Fund shock treatment" imposed by Economy Minister Rodrigo has been applied in Argentina before, most recently between 1967 and 1970 under President Juan Carlos Onganía. Gen. Onganía was much praised—still is, in fact—for having said that gradual measures will be taken and that they will be explained as they are adopted. In announcing his devaluation of the new peso—which increased the financial rate from Pesos 15 to Pesos 30 to the dollar, and the commercial rate from Pesos 10 to Pesos 26—he merely said that its purpose was "to give back to the country its capacity to export and to decrease incentives to import." Apparently, and if so possibly correctly, the Economy Minister thinks that no amount of preparation of explanation would do much good. "To-morrow they will hang me, or to-morrow we start doing things properly," he said.

The wage-earning masses are clamouring for anything to end their predicament—in many cases even for a coup.

There seems to be a strong possibility that if the unions do not accept the 45 per cent, the Government will simply decree it.

It is here, of course, that all of the talk about "the end of Peronism's demagogic stage" is based. Always before, from the time when the then Col. Juan Peron took over the Government's manipulation of labour late in 1943—excepting the 1955-1973 period when the Peronists were out of power—the Peronists had managed to keep wages on a par with prices. But now, with a foreign debt of more than \$9bn, and redemptions due this year of more than \$2.2bn, but with only \$700m in the treasury reserves, and moreover a probable negative balance of trade of \$600m, Peronism's 30-year impost of open-handedness, no matter what has to be abandoned.

The dangers inherent in this situation for a Peronist—or for

the 36-hour pocket civil war remembered as the "Cordobazo" in Cordoba City, the Argentine capital, in May 1969, and it was this in turn which led directly to Gen. Onganía's fall from power nine months later.

There was labour unrest last week in several Argentine cities, but most pronouncedly in Cordoba City, where workers for the several car industry plants downed tools and marched in the streets to press (unsuccessfully) their demands for an emergency wage rise to get them over the present impasse.

Last week also, television viewers were prevented from seeing and hearing yet another opposition criticism of the Government. In a pre-taped interview, which was not broadcast because of "technical imperfections," Radical Party economist and former Central Bank president Felix Elizalde said that an air force jet at Rio de Janeiro on Thursday night

"could be applied only in two countries: in Germany, with the occupation forces, and in Brazil, with bayonets. I would like to know how it can be applied here," he added—only for the readers of some of the more daring publications, as it turned out. It seems that more of the same is in store, because Sr. Rodrigo has said that gradual measures will be taken and that they will be explained as they are adopted.

Actually, the lie of the masses is not directed mainly against Sr. Rodrigo, or even against President Peron, but against the Social Welfare Minister Sr. Jose Lopez Rega, who as the President's closest advisor now definitely is the strong man in Government. Sr. Lopez Rega has chosen the moment to take a few days holiday at an exclusive closed hideaway. It is only known that he was deposited in an air force jet at Rio de Janeiro on Thursday night.

Oil reserves fall in Canada

By Our Own Correspondent

TORONTO, June 16.

THE conventional crude oil reserves in the province of Alberta, which account for the bulk of Canada's proved oil supplies, declined by 256m. barrels in 1974 to 63bn. barrels or less than 13 years' supply at present rates of consumption, according to the Alberta Energy Resources Conservation Board. This is the fifth consecutive year in which reserves have declined.

During the year a total of 242m. barrels were added to the province's reserves by new discoveries, improvement in recovery methods, and reassessment of existing reserves in some pools.

Chile executes 'guerillas'

BY HUGH O'SHAUGHNESSY

THE Chile MIR Left-wing guerrilla organisation, backed by the Argentine Marxist ERP guerrillas, has sent two armed groups across the Andes in Chile to begin a campaign against the Government of General Augusto Pinochet, according to Argentine police sources quoted by Reuters. Five members of the first group were executed on Sunday by Chilean authorities. They had been captured after killing an army captain in the southern Chilean town of Talca.

General Gustavo Leigh, member of the Chilean Junta and head of the air forces, has called for closer links with Argentina in the cause of combatting a "cunning and ruthless common

U.S. WILL OPPOSE OIL PRICE RISE

PARIS, June 16.

PRESIDENT GERALD FORD has said that the U.S. will "vigorously oppose, as far as it can, any increase in the price of oil."

In an interview with the weekly L'Express, President Ford reiterated the importance of co-operation between consumers and the need for a U.S. energy programme. "I hope that the International Energy Agency will have a firm position in any future negotiation with oil producers. A new increase is not in the interest of either producers, consumers or developing countries," the President is quoted as saying.

AP-DJ

Norvic step up steam control, save 25% heating fuel

The cost of space heating for 200 employees at the Norvic Shoe Company's head office building in Norwich more than trebled last year.

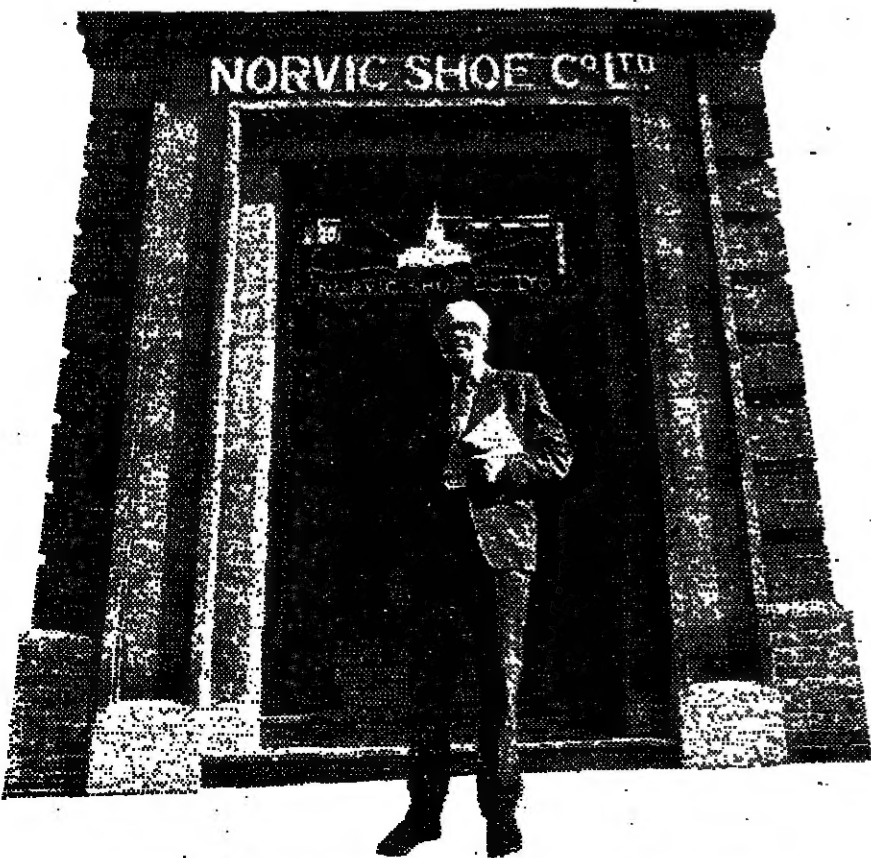
In October Norvic called in a firm of steam engineering specialists to survey the premises, which include office blocks adjoining a warehouse and process area.

Following the survey, measures were put in hand to improve the efficiency with which steam and waste heat are used. For example, two flash steam recovery systems were installed; thermostatic temperature controls were fitted throughout the building; and an extensive insulation programme was undertaken, which included draught-proofing stockroom windows with polythene sheeting.

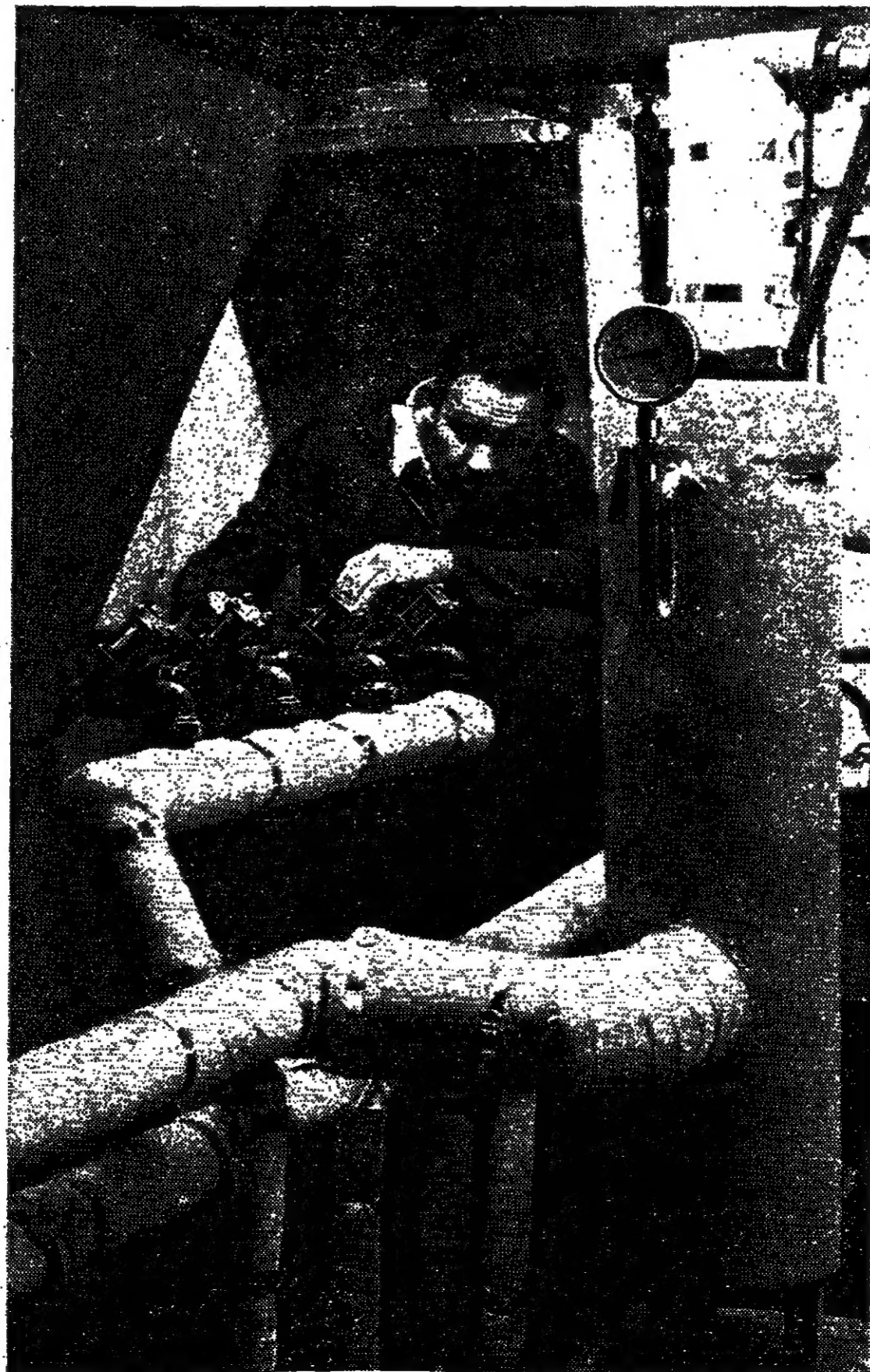
Capital outlay:

Steam control equipment.....	£1,500.
Insulation materials.....	£1,000.
Pipework, etc.....	£300.
Installation costs.....	£2,200.

Savings to date: Over the last 20 weeks of a 34-week heating season, the above measures resulted in a 25% fuel saving—11,500 gallons of medium fuel oil. That's £2,160 saved so far. At this rate, the improvements will have paid their way in less than one and a half heating seasons.



Chief Engineer and Maintenance Manager Harry Schull monitors fuel intake and consumption weekly and plays a key role in keeping the company energy-conscious.



This mass of pipes being viewed by Maintenance Engineer George Clarke looks complicated. But what it does is really quite simple: it recycles, in the form of steam, heat which would otherwise have gone to waste. This flash steam recovery system—as it is called—is used to heat the warehouse and process area and has significantly reduced fuel consumption.



Maintenance Engineer Mick Norton adjusts a setting on a combined pressure-reducing valve and temperature control. As a result of measures already taken, boilers can be kept on low fire most of the day after initial warm-up and working conditions are more comfortable. Work to be completed includes further insulation and the installation of more temperature controls.



Issued by the Department of Energy

Chirac restores Gaullists' self-confidence

BY ROBERT MAUTHNER

PARIS, June 16.

THE RESIGNATION of M. Jacques Chirac, the French Prime Minister, from his other post of Secretary-General of the Gaullist UDR party, is an indication that the Gaullists have now recovered from their traumatic experience last summer when their candidate, M. Chaban-Delmas, was ignominiously eliminated from the National presidential race.

In announcing his resignation yesterday to the national congress of the UDR in Nice, M. Chirac emphasised that he had taken on the job only in order to restore the unity and enthusiasm of a party which had been disheartened and demoralised by defeat and the internequ coastal of the presidential election campaign. Now that it had taken on a new lease of life, he felt it was more desirable that he should devote himself entirely to his job of Prime Minister.

So the man who last December literally "looked over" the Gaullists in a political mini-coup, in spite of the opposition of the Gaullist "barons" such as M. Michel Debré and M. Maurice Couve de Murville, has resigned as Secretary-General after only six months. Yet, with his new title of "honorary" Secretary-General, M. Chirac in practice remains the undisputed boss of the party, whose militants showed by their long ovation for the Prime Minister their gratitude they felt they owed him for giving them back their self-confidence.

A new Secretary-General will be elected in a month's time and could well be the man chosen by M. Chirac as the temporary incumbent of the post, M. André Bord, the Secretary of State for

NATO FORCES

IRAN justified its purchase, announced last week, of 800 British Chieftain tanks for \$1bn. largely on the grounds that the rival Leopard tank offered by West Germany was too expensive. That such a consideration should trouble Iran is a reminder that the modern battle tank has become very big business indeed.

While the battle for the F-16 fighter "arms deal of the century" was being settled in America's favour, the seeds of another deal were being sown that could redress the Atlantic balance. There is now an outside chance that German and British technology will flow to the U.S. to create the main Nato battle tank for the late 1980s.

There is today more armour plate in German military thinking than ever before. Infantry has been replaced by armoured infantry. German soldiers race into battle in mobile forts from which they fight and from which they emerge only when strictly necessary. They are supported and defended by an impressive collection of armoured vehicles: 120 mm. smooth-bore gun that fire missiles at enemy armour and at enemy aircraft, take away the wounded, and repair or tow away vehicles in mechanical trouble. The most exotic example of this supporting armour will be the "flak panzer", an anti-aircraft tank bristling with radar of which the German army will take 480 at DM-4m.

The Gaullists also received a boost to their morale at the week-end with the victory of the UDR candidate in a by-election at Le Harve. The Gaullist Ministry, however, was cut from 7,600 votes in the 1973 parliamentary election to 4,000 yesterday, and it was significant that the vast majority of Socialist voters supported the Communist candidate of the Union of the Left in the runoff.

Factory worker likely to succeed Shelepin

MOSCOW, June 16.

SOVIET leaders have decided to appoint a factory worker with little top-level political experience to succeed controversial Alexander Shelepin as head of the country's trade union organisation, well-informed communist sources said today.

They said the appointment of 57-year-old Alexei Z. Viktorov, the first worker to hold the post since World War Two, would probably be announced next month—possibly at a session of the Supreme Soviet (Parliament) starting July 8.

Mr. Viktorov, until recently a brigade chief at the Moscow ballbearing plant, would first be appointed a candidate member of the ruling Politburo at a plenary session of the Party's policy-making Central Committee early in July, the sources added.

The reported appointment was seen as aimed at boosting the prestige of Soviet trade unions as genuine workers' organisations at a time when the Kremlin is seeking to improve relations with Western trade unions and Social Democratic parties.

Portugal and Romania sign long-term pacts

VIENNA, June 16.

PORTUGAL and Romania announced plans today for long-term economic and other forms of co-operation and said they were working closely together internationally.

The plans were listed in a joint communiqué issued in Bucharest as Portuguese President Francisco de Costa Gomes ended a four-day visit to Romania.

Earlier, President Costa Gomes and Romania President Nicolae Ceausescu signed a treaty of friendship and co-operation, the first in 20 years between any Nato and Warsaw Pact countries.

Long-term agreements on trade, economic, technical and scientific co-operation were also signed, the Romanian news agency Agerpres reported.

The two governments set up a joint commission to develop new forms of economic and industrial co-operation and to increase trade exchanges.

The communiqué said "measures to consolidate collaboration between Romania and Portugal in international organisations" had been intensified.

Favourable opportunities existed to increase trade and to co-operate on a variety of levels, particularly in mining, engineering, shipbuilding, transport and agriculture.

The two governments said they intended to conclude a series of agreements, ranging from a double taxation accord to the provision of guarantees for capital investment.

Reuter

The tank battle to come

BY NICHOLAS COLCHESTER, BONN CORRESPONDENT

That 18 modern tanks pack too much fire power for one company commander to handle, so in the reorganised German Army the number of tanks per company has been reduced to ten. It is also revealed that the American M-48 tank, of which West Germany has 1,350, was no match for the Soviet T-62, and

British and German technology could flow to the U.S. to create the main Nato battle tank in the late 1980s.

Like the Dreadnoughts at the beginning of this century, the tanks of the opposing sides have become steadily more powerful, more massive, and with ever greater fire power and electronic complexity. The West German idea of the next type of tank is the Leopard 3, of which there are 17 prototypes in existence. At 50 tons, it is almost the same weight as a British "Chieftain", but it is twice as powerful, twice as fast, and carries a new collection of armoured vehicles designed to be the most destructive tank-weapon in the world. This tank costs DM2.5m.

The Yom Kippur war provided the most recent tank battles and every one of its encounters was subsequently picked clean of information by the analysts of warfare. Their findings serve today as a tenuous link between the reality of battle and armies grappling with a bewildering array of high-technology weapons. It taught the German Army

that its 90 mm. gun was unable to penetrate the new Russian tank's frontal armour. Until recently the German plan was to replace the M-48S with the new Leopard 2 tanks, starting about 1978. Furthermore, Britain and Germany had agreed to get together in the design of a new tank to be introduced in 1988. This tank would be the replacement for Britain's Chieftains and for West Germany's Leopard 1, of which the German army has 2,250.

Anglo-German co-operation has so far run smoothly. Both countries have exchanged their ideas of what the future battle tank should be like and according to General Karl Schnell, the deputy Chief of Staff in the German armed forces, the Yom Kippur war has narrowed the differences

German tank.

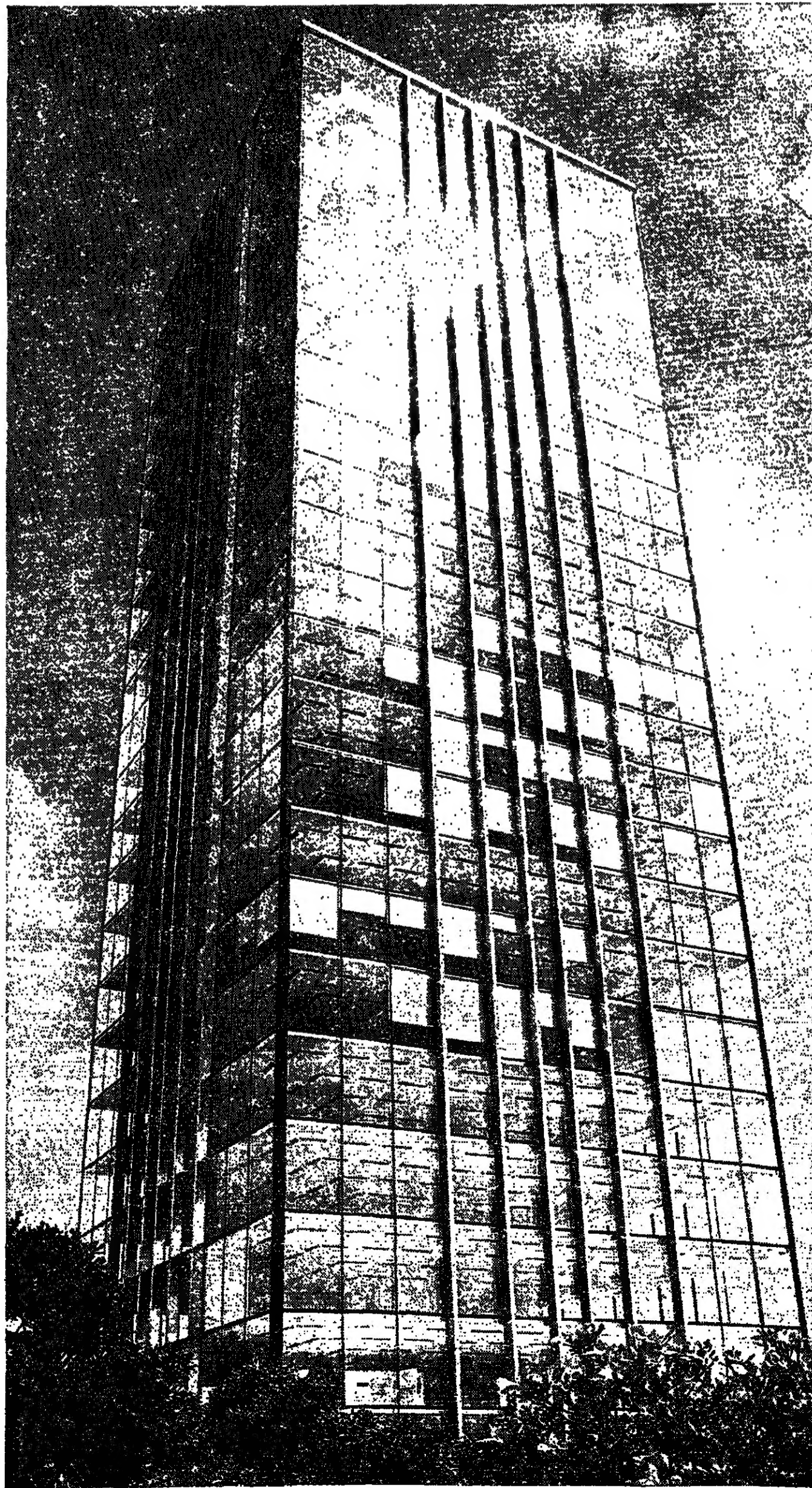
Such thoughts were continuously referred to as being part of a remote future by the Germans, but they are thoughts involving very considerable sums of money and are logical thoughts for two reasons. In the first place, West Germany has greatly increased the quantity of weaponry that it purchases from itself, rather than from the U.S. and elsewhere, with the heavy burden of development costs that such a shift implies. In the decade to 1965 West Germany spent DM27bn. on weapons at home and DM11bn. abroad, while in the past decade DM51bn. was spent at home and only DM16bn. abroad. There is thus a growing need for West Germany to cover by exports, the expensive fruits of its own weapon research.

This need squares well with the current argument that weapons standardisation in Nato should not merely consolidate America's position as a supplier of weapons to Europe, but should also involve some "reverse flow." While America's technical prowess in the field of aviation is undeniable, it could well be that European know-how in the making of armoured vehicles would be an ideal skill to offer in return.

The second argument behind a move towards tripartite tank development is the pressure on the German defence ministry to cut expenditure. The German economy is in export-led recession and there are many forecasts suggesting that West

A cheaper alternative would be to re-equip the German M-48s with the standard Nato gun, the rifled British 105mm. and hope that new ammunition being developed by the Americans will make this gun a match for the latest 115 mm. Russian smooth-bore. The German army could then hang on until a U.S.-German-British tank became available in the early 1980s.

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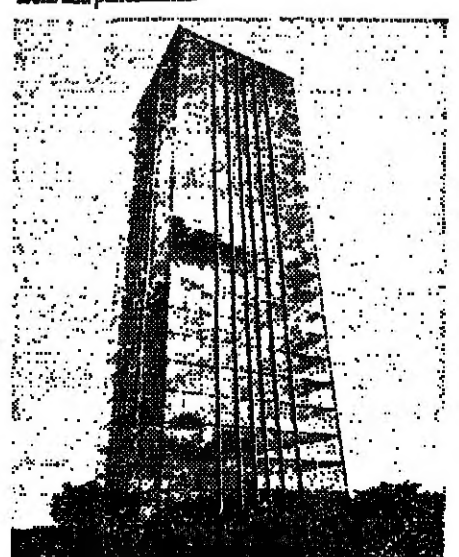
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OVERSEAS NEWS

ELECTIONS IN INDIA

A new challenge to Mrs. Gandhi

BY K. K. SHARMA, NEW DELHI CORRESPONDENT

THE GUJARAT election in India has added a serious political challenge to the 1977 challenge which Mrs. Indira Gandhi, the Prime Minister, faces since she was convicted of electoral malpractices in the Allahabad High Court last week. If she staves off that challenge she will have to fight doubly to retain her Prime Ministership against her old rival Mr. Morarji Deas, whom she ruthlessly eliminated from the political scene five years ago. Mr. Deas's Janata (people's) Front combine of five Right-wing parties has won in Gujarat, thereby again permitting him to wear the mantle of a national leader which he lost five years ago. Mr. Deas is usually outspoken but he has been hibernating for a long time. With the Front's victory he has come out of the cold storage into which Mrs. Gandhi put him.

Nevertheless, the euphoria that the Opposition is now feeling needs to be qualified by some harsh facts about Indian politics. True, the Front has won in Gujarat and has demonstrated that Mrs. Gandhi's charisma is fading, and that she does not have the same hold on the Indian masses that she had when she swept to victory in 1971.

But there are many factors that led to the Front's victory which need not necessarily apply

when the general election is held next spring (assuming that Mrs. Gandhi does not delay it by using the emergency powers she has under the Defence of India Act). For one thing, the Opposition does somewhat better in India in by-elections and single state elections because its resources are limited and it can concentrate them on almost equal terms with the Congress, which is the only party with a well-lubricated organisation and electioneering machine. This is a major reason for the Front's Gujarat victory.

But the Front will have to spread its meagre resources over a far wider field in the next general election, when the Congress can be expected to use all its artillery full blast. And this assumes that there will still be a Front next spring. That does not follow automatically, since past experience has demonstrated that the many non-Congress parties can combine—as five of them did in Gujarat—to present a joint front in a state election or in by-elections, but they find this impossible on a national scale. In a limited election the sole purpose is to defeat the Congress, and ideological differences can be temporarily sunk. But it is altogether another matter for Opposition parties—even those known loosely as "Right-wing"—to form an election alliance

in a general election when they must seek a mandate on the basis of agreed policies on both national and international issues. This has proved impossible in the past and there are insufficient grounds to assume that the Opposition will do better in time for the next election.

But this must again be qualified by the fact that a new force has emerged on the Indian

he is popularly known, has declared that he has no political ambitions of his own despite the undoubted national following he has by now. Indeed, it was largely due to his intervention that the Front was forged for the Gujarat election; he stepped in when the five partners began what threatened to become an unedifying squabble about the sharing of seats.

"J.P." probably realises this. He can, therefore, expect to attempt not the creation of a Front on a national scale, but agreement on the sharing of constituencies instead. In other words, what would be best for the Opposition is to attempt an "electoral adjustment", rather than an election alliance on the Gujarat pattern. This is not easy, either; all parties have an inflated opinion of themselves and there is bound to be another scramble for seats which might not end in the kind of success achieved in Gujarat.

In sum, if the Gujarat election is seen as a curtain-raiser to the next general election, there is concrete evidence now that Mrs. Gandhi's and the Congress's popularity has plummeted. But there are ten months to go before the country goes to the polls and this gives time to the ruling party to repair the damage done to its image. It might be impossible if Mrs. Gandhi loses in the

political scene in the form of Mr. J. P. Narayan, who has launched a Gandhian type movement against what he calls the "corrupt" Congress in Bihar and other States, and which he hopes to spread across the country. "J.P." as

Despite Mrs. Gandhi's hectic electioneering—she spoke at 150 election meetings—"J.P." ensured the Front's victory. The time was propitious for an anti-Congress vote because of the growing economic burdens of

the people, which Mrs. Gandhi has not succeeded in lightening (for reasons not entirely under her control). Yet "J.P." faces a more difficult prospect if he wants to extend the Gujarat experiment on a national scale. Mr. Deas's "Congress" and the Jana Sangh, for instance, cannot hope to agree on the role of Muslims in India; and there are serious differences on other domestic and international issues as well.

But what Mrs. Gandhi and the Congress are probably banking on is that the Opposition success will, in fact, prove to be an undoing. If the past is any guide, non-Congress coalition Governments cannot function effectively and this was a major reason for the Congress's landslide victory in previous general elections; the country was tired of the dithering and instability that the coalitions provided. If the Front goes the same way and the partners start warring against each other, it will mean that the story of unstable rule for a few months followed by imposition of President's Rule will be repeated. This would be a reminder that the Opposition is hopelessly divided and cannot form the viable and stable Government so badly needed to tackle the country's problems.

The Opposition knows this and will try to avoid history repeating itself in Gujarat. If it fails, the Congress will get a windfall this gives time to the ruling party to repair the damage done to its image. It might be impossible if Mrs. Gandhi loses in the

Supreme Court and is no longer there to lead the party; it is also likely that even if her appeal against the High Court judgment is accepted, she will wear the stigma of having been convicted of corrupt election practices and the Opposition can be expected to exploit this to the full.

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Israel-Lebanon tension mounts as clashes continue

BY HSAN HAJAZI

BEIRUT, June 16

TENSION was running high on the border between Lebanon and Israel to-day after all-night exchanges of mortar fire and rockets between Palestinian guerrillas and Israeli forces.

Israeli gunners pounded villages in South Lebanon to-day in artillery bombardments before dawn and after dusk. Local residents reported that shells fell tonight on Rasayyah, Khirbat, Khirbat Majid, and Haifa. Two helicopter were seen dropping flares over the area.

Palestinian leader Yasser Arafat has taken personal charge of the situation after ordering guerrilla forces into a state of maximum alert, according to Palestinian sources. Mr. Arafat visited to Lebanon yesterday afternoon after a meeting in Damascus with President Hafez Assad, who briefed Mr. Arafat on the outcome of his talks in Amman last week with King Hussein.

The scene of the resumed warfare between the guerrillas and Israeli is the Lebanese Arzouq region on the slopes of Mount Hermon, referred to by the Israelis as "Fatahland" and the spawning area of northern Israel.

After Palestinian last night fired Katyusha rockets into the Israeli seaside resort of Nahariya, about six miles from the Lebanese border, the Israeli shelled the Lebanese towns of Nabatiyah and nearby areas which house a large refugee camp.

In wake of the shelling of Nabatiyah, Palestinian guerrillas during the early hours of today fired mortar shells at the Israeli village of Metuliah and the nearby settlement of Kfar Gilad. They also opened fire on an Israeli army patrol near Kfar Yavai, which was the scene of a commando raid yesterday in which four guerrillas were killed in a clash with Israeli forces after taking a number of Israeli hostages. Two Israelis were killed and six others wounded in the clash.

While Israeli officials say the guerrillas are out to undermine efforts towards an Israeli-Egyptian settlement, newspaper commentators speculate the step-up in activity may be the start of an attempt to force the rapprochement between Jordan and Syria.

They said the commandos may view this defence as a threat to the political status of the Palestinians.

There was interest meanwhile in the return to-night of Prime Minister Yitzhak Rabin from Washington, where President Ford has been sounding out Israel's latest views on an interim accord with Egypt.

According to reports from Washington, Mr. Rabin has voiced optimism that Israel will get the weapons it wants from the U.S., despite American reassessment of Middle East policies.

Asked about the cooling in U.S.-Israeli relations after the breakdown of the Kissinger mission last March Mr. Rabin said: "There are no longer any strains between Israel and the United States."

He added: "We have learnt our lesson from the Kissinger shuttle. In the future we have agreed with the United States that no political action will be taken until there is at least a 90 per cent chance of success."

Mr. Rabin said during his stop over in London he expressed Israel's views on Britain's reported \$450m. arms deal with Egypt. The meeting was at Foreign Secretary James Callaghan's request, he said.

Iran undertaking major review of spending

BY ROBERT GRAHAM, MIDDLE EAST CORRESPONDENT

TEHRAN, June 16

THE IRANIAN GOVERNMENT has decided to carry out a major reassessment of its development plans to curb unnecessary expenditure and reduce some of the serious bottlenecks that have appeared in recent months.

From now on all ministry budgets are expected to be carefully scrutinised and, according to the director of the plan organisation, Mr. Abdul Majid Majidi, foreign aid will be cut to "only vitally important cases." Mr. Majidi did not indicate the extent of the expenditure cuts.

Iran's development is being carried out under a five-year plan 1973-78, whose budget was originally set at \$36bn. Then last year with the sudden rise in oil revenues, the plan was completely revised and a new target of \$60bn. fixed.

However, the revised plan has never been properly published or finally approved.

More cautious

This more cautious approach to expenditure has been conditioned by a combination of several factors. When Iran's oil revenues rose so dramatically last year many projects were put forward by ministries which it is now recognised are neither immediately necessary nor the kind that the economy can handle at the present moment.

Last year's 43 per cent growth rate (14 per cent in the non-oil sector) has continued and the economy is beginning to feel the effects of overheating plus suffering from bottlenecks, notably in the shape of a labour shortage and lack of capacity in its ports and construction industry.

Apart from these considerations, inflation abroad and falling oil production have cut into the prospective \$60n. surplus for the year. Oil production in the first quarter ran at 5.16m. barrels a day against 5.88m. for the second quarter of 1974.

According to Mr. Majidi, production this year is likely to be down by between 800,000 and 900,000 barrels.

At this stage no specific mention has been made of the likely items to be pruned, and there is no suggestion that defence allocations, which were programmed to take up 31 per cent of the plan expenditure, will be affected.

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Early ceasefire expected in Angola

BY JOHN WORRALL

NAKURU, Kenya, June 16

THE FIRST practical result of the crucial Angolan peace summit which started here today is expected to be an early ceasefire agreement between the three rival liberation groups in the field. It could be today or tomorrow but may take time for the orders to get through to the liberation forces in Angola.

Conference forces said that a ceasefire must inevitably follow President Kenyatta's urgent plea to-day to the leaders: Dr. Roberto Holden, Dr. Agostino Neto and Dr. Josep Savimbi, to agree on "an immediate ceasefire while you listen to your hearts." This afternoon President Kenyatta left the Angolans to meet privately by themselves. The ceasefire was the first item on the agenda. Earlier there were remarkable effusions of brotherly love among the warring leaders.

Dr. Holden was heard to refer

to his bitter rival Agostino Neto as "my brother Agostino." President Kenyatta's gently expressed but very firm address to them before Press and television cameras was "very well received" according to conference sources. Dr. Munyua Waiyaki, Kenya's Foreign Minister said: "I believe it will go well—unity is in the air."

The feeling of urgency about these last chance talks was marked. With independence due in November there has to be an election. A peaceful circumvention of an agreement on a constitution not to mention whether Angola goes ahead as a one party state or one split by rivalries between three parties with the dangers of a built in civil war. The conference was postponed from yesterday because of the non-arrival of one of the chief delegates, Dr. Neto, leader of the Marxist MPLA. Last night he was driven to Nakuru by Kenya Foreign Ministry officials.

Fear of clash prompts delay in ANC congress

BY TONY HAWKINS

SALISBURY, June 16

IN A VICTORY for the anti-Nkomo faction in the African National Council, Bishop Murewa, President of the ANC, has delayed the start of the conference planned for June 21-22.

In a statement, the Bishop himself apparently opposed to the Congress on the grounds that it would probably prove fatal to the fragile unity of the Council—said that the Congress had been called off "due to serious administrative and other extreme difficulties." Further, he said, the Congress would be given "in future," the statement added.

The cancellation of the Congress comes as no surprise because the ZANU element had already threatened to boycott it. "Moderate" centrist elements such as Bishop Murewa himself, Vice President, Dr. Gubbela and Secretary General Gordon Chavunduka had also expressed opposition to it. They represent the "old ANC" and as such apart from anything else, saw Congress as a threat to their positions in the party as well as to party unity.

The decision will not be welcomed by the Government which had been hoping for a change of leadership in the ANC. It is widely believed here that the ANC as presently constituted being numerically pro-ZAPU (led by Mr. Joshua Nkomo) Congress would result in his taking over the Council and the old rift between himself and the ZANU faction leading to two nationalist parties once again.

Trevor Grundy adds from Lusaka: A spokesman for the State House to-night denied that the South African Premier John Vorster had made a week-end visit here for talks on the Rhodesian situation with President Kenneth Kaunda.

The Government is known to prefer dealing with Mr. Nkomo and would be only too happy to see such a change in the ANC.

'Kurds being victimised'

By Paul Elman

IRAQI AUTHORITIES were yesterday accused of exacting reprisals on Kurdish refugees returning to their homes after the collapse of the Kurdish rebellion in March.

The charges were laid at a Commons Press conference in London to mark the inauguration of the British-Kurdish Friendship Society.

Speakers at the Press conference claimed that there was evidence that Kurdish lands would be settled by Egyptian farmers who are emigrating to Iraq under an agreement signed between Baghdad and Cairo last year.

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June 16, 1975.

1/25/75

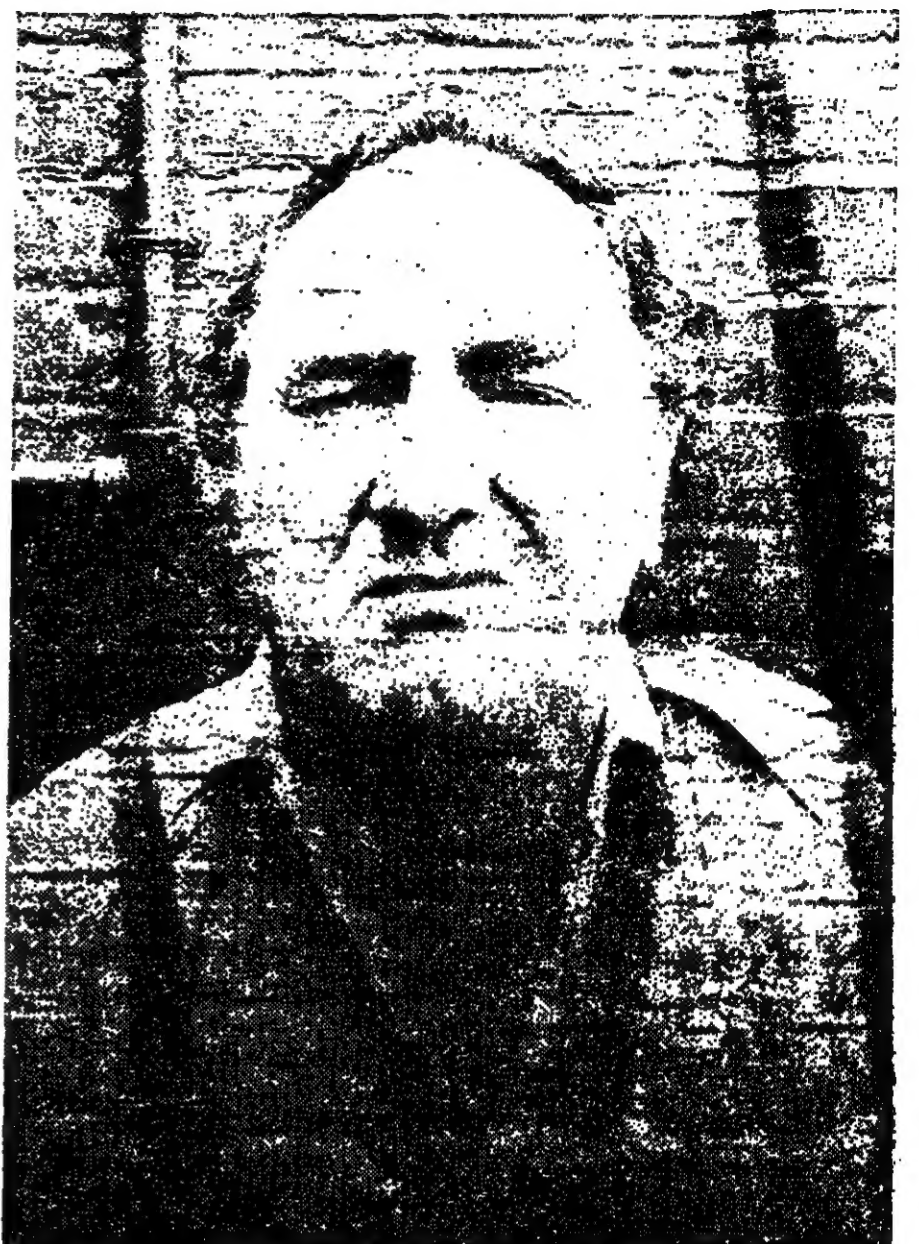
At around 90°F, workers evaporate.



65°F. He's okay.



72°F. He's feeling warm.



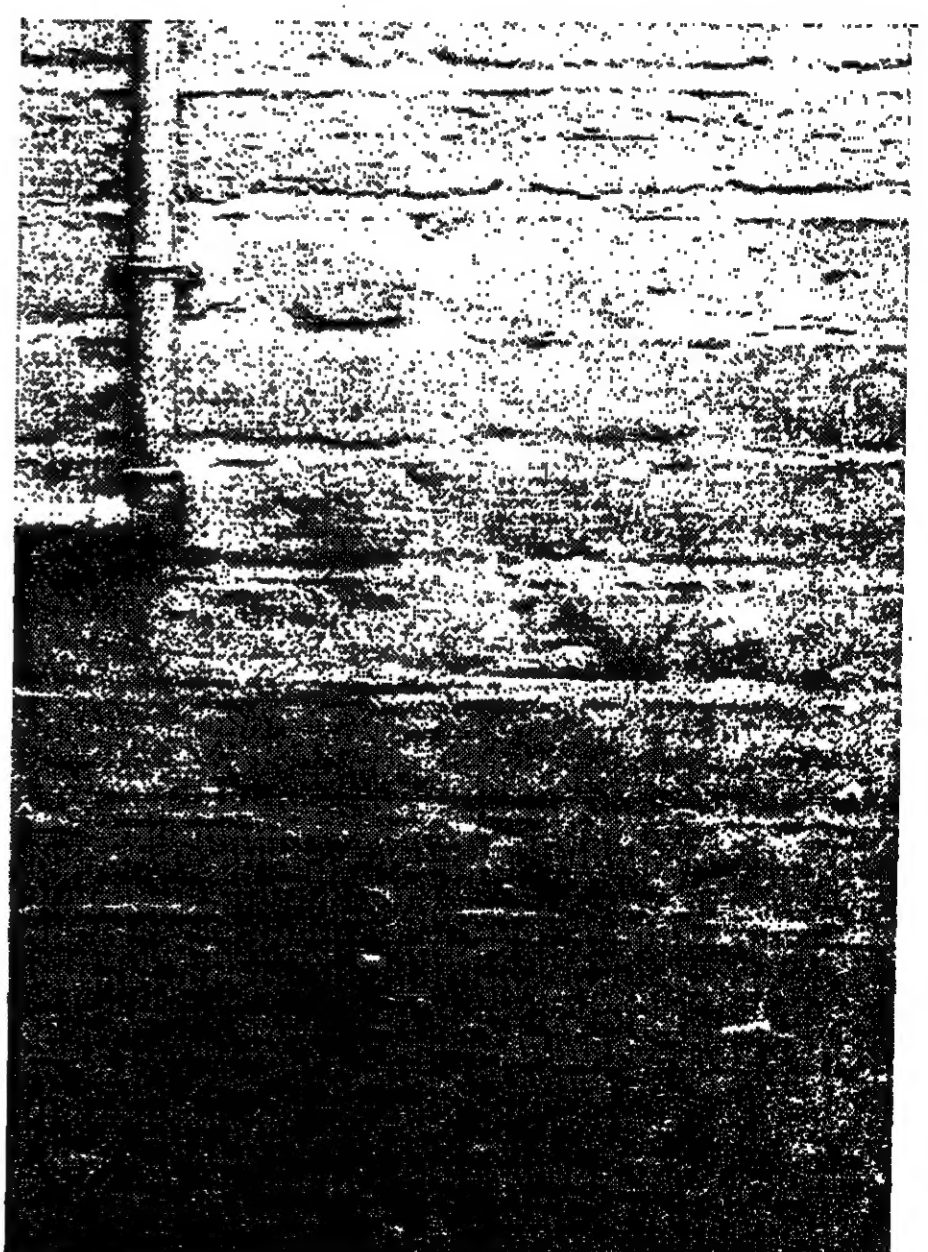
78°F. He's hot and bothered.



80°F. He can't concentrate.



85°F. He's fading fast.



90°F. He's disappeared.

It's a sad fact of life that the 'Disappearing Workers' actually exist in large numbers throughout Britain.

And if you're in any doubt about it, try spending an hour or two on the factory floor one sunny afternoon.

The chances are, you'll find that a number of employees aren't to be seen. And of those who are, many will be present in body but not in spirit. The reason will hit you full blast the moment you step in the door.

It is, quite simply, the hot, sweltering atmosphere caused by bad ventilation. It's unpleasant to walk around in, it's damned near impossible to work in. And if you subject a man to these conditions, his will to work dies.

His productivity drops like a stone, his attitude to management takes a very fast turn for the worse. In his eyes, you actually become the cause of his misery - for it's an industrial fact he can only work at his best in a temperature of 60°F to 72°F.

So what's to be done about it? The answer that over 60,000 British companies have found is to call us at Colt.

We carry out a detailed survey at your factory, then report in full and without charge, showing how the right use of ventilation can create healthier, safer, altogether better working conditions (and, incidentally, help to keep you within the Act).

It can only do good for your company's profits - and even the tax-man shoulders a fair share of the capital outlay.

Write or phone. It's the one sure way you have of making a very real problem disappear.

Colt International Limited (Heating, Ventilation and Industrial Access). Havant, Hants. Havant 6411. Telex 86219.

People work better in Colt conditions.

APPOINTMENTS

Managing Director Insurance Brokers Johannesburg

Our clients are the Insurance Broking subsidiary of an important Group, which itself provides a wide range of financial services.

The Broking firm, whose staff numbers sixty, possesses the underlying security of some valuable in-house business. To broaden its base it is now embarking on a programme of expansion and in furtherance of this has recently purchased an old-established firm of Life and General Brokers.

To implement this expansion, and to motivate and control the whole operation, the post of Managing Director is now being created.

Candidates for this position should ideally possess wide experience of both general Non-Marine and Life and Pensions business. They must also be accustomed to exercising senior managerial responsibilities and above all be marketing orientated and forward-looking. The ideal age limit is 35/45.

A substantial salary is envisaged, and there is also a share incentive scheme.

Those seeking further information about this challenging appointment should contact Mr. D. R. Whately, who himself possesses a wide Insurance Broking background. Please quote ref. 344.

WHATELY PETRE LIMITED, Executive Selection,
4 Martin Lane, London EC4R 0DL.
Tel: 01-623 5430.

ALSO APPEAR TO-DAY
ON PAGE 3

Investment Trust Dealer

Leading firm of City Stockbrokers require the services of an authorised dealer in the Investment Trust Market to act as a dealer in the house as back-up to research, sales and service team specialising in Investment Trust stocks. Whilst knowledge of the sector would be an advantage, it will not be considered essential for the right person. Write Box A.5097, Financial Times, 10, Cannon Street, EC4P 4BY.

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SAN JOSE SYSTEMS
1746 C Junction Avenue,
San Jose, California 95112, U.S.A.

A.T.A. SELECTION (Banking Division)

Senior Manager 30+ city £5500 p.a. plus motor, senior Credit Analyst, £3000 p.a. plus motor. £1500 p.a. plus motor. £1500 p.a. plus motor. For details of these and other positions contact:

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Clive Boxell

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The London branch of a leading international institution seeks a young analyst wishing to expand his experience in all aspects of fund management. Full curriculum vitae to Box T.4149, Financial Times, 10, Cannon Street, EC4P 4BY.

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£10,000 p.a. plus motor, Shorthand, house appointments. 01-438-1237.

COMPANY NOTICES

FINISIER
SOCIETA FINANZIARIA SIDERURGICA
The Board of Directors of this Company at its meeting of the 5th June, 1975, have decided to pay a dividend for the year 1974 of 10% on the nominal value of the shares of the Company, amounting to £100,000,000, payable on 15th July 1975, at 10.30 a.m. at the offices of the Company, 10, Cannon Street, London EC4P 4BY.

INTERNATIONAL DEPOSITORY
RECEIVED IN FULL OF THE PAR VALUE OF 100 COMMON STOCK OF J. P. MORGAN & CO. INCORPORATED

A cash dividend of 10% on the nominal value of the shares of the Company, amounting to £100,000,000, payable on 15th July 1975, at 10.30 a.m. at the offices of the Company, 10, Cannon Street, London EC4P 4BY.

LUXAM TRUST S.A.
Société Anonyme de Luxembourg
14, rue de la Liberté, Luxembourg
Section B No. 1374

Notice of Annual General Meeting of the Company
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HOME NEWS

Nationalise all motor-cycle industry, urges Poore

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

THE NORTON-VILLIERS TRIUMPH Board will make it plain to Mr. Eric Varley, the new Industry Secretary, when it meets him on Thursday, that it sees little alternative to complete nationalisation as a solution to the company's financial problems.

Mr. Dennis Poore, NVT's chairman and chief executive, said yesterday that the losses of the motor-cycle company, established at the end of 1973, had been about £8m. to date. It hoped to publish its first full accounts by the end of this month.

To maintain operations on the present three-factory basis incorporating the Meriden workers' co-operative will demand between £30m. and £40m. extra capital, over a three-year period, NVT estimates.

Since this would entirely swamp the private investors in the company—notably Manganesse Bronze Holdings, also headed by Mr. Poore, which has

a 48 per cent. stake—the best course would be for the Government to take over, says Mr. Poore.

Thursday's meeting, between the Department of Industry, NVT, and the unions, was called by Mr. Anthony Wedgwood Benn, the former Industry Secretary who supported the Meriden workers' scheme for a three factory group. Throughout, NVT has been opposed to the three factory concept, arguing that the best way of containing overheads and managing levels would be in two factories, at Small Heath, Birmingham, and Wolverhampton.

Under the original plans, backed by £4.8m. of public funds, Meriden would have been closed down, and Mr. Poore believes that the company would have been ready to launch a new generation of machines by next year. The idea was to raise capital for this programme on the open market, and the plan

envisaged sufficient profits by that time to make the prospect a possibility.

When Mr. Benn decided to alter the original plan it was calculated that the group would eventually need some £15m. extra funds—now, doubled by inflation.

The NVT Board argues that the Meriden closure, and the relocation that caused to the business, has been the main reason for its current losses. These, in effect, mean that the only avenue for funds now is the Government, if it wants to maintain the present three-factory structure.

As a result, the Government would imply closure of at least one of the factories. But the Government would face considerable difficulties if it acquiesced in a cut-back elsewhere than at Meriden in this group. Small Heath, which has a 16,000-ton-a-week capacity is being cut to 3,000 tons a week. Only one of the four open-hearth furnaces is operating.

Steel production at the plant, which has a 16,000-ton-a-week capacity is being cut to 3,000 tons a week. Only one of the four open-hearth furnaces is operating.

Price cuts announced by BSC yesterday will not necessarily affect retail prices of refrigerators and freezers, according to Mr. A. W. Perry, chairman of the Freezer and Refrigerator Council.

Thomson calls for European unity on economic problems

BY ARTHUR SMITH

EUROPEAN NATIONS must unite in tackling the major economic problems, Mr. George Thomson, European Commissioner with special responsibility for regional affairs, urged in London yesterday.

The era of easy growth came to an abrupt end with the five-fold increase in the price of oil and nations were now facing the problem of "getting a war simultaneously against inflation and recession," he said.

Inflation could be as infectious a disease between countries as the great plagues of medieval times. "National solutions" to economic problems would mean another balance of payments deficit. That is why solutions for us must have a European dimension.

Mr. Thomson was addressing the congress of the European Centre of Public Enterprises, a body of which most of the 100 nationalised industries within the Community are members.

"The public enterprises have a major contribution to make to solving these economic problems within their own countries—and I am convinced that your contribution will be that much greater because you have come together to-day to pool ideas and to look at solutions within a European dimension," Mr. Thomson declared.

Lord Gormanwy-Roberts, Parliamentary Under-Secretary of State at the Foreign Office, said that Britain's decision to remain in the Common Market would not change the Government's industrial policy. The Government would continue to do what was necessary for the country while recognising its duties to the Community.

The removal of uncertainty about Britain's membership should give a tonic not only to this country but also to those abroad looking at Britain as a place where they could invest.

Lord Roberts rejected the idea that the time taken for renegotiation and for gaining the wholehearted support of the British people had been wasted.

Britain played a positive role within the Community, he argued. Though the British question may in some areas have created "an illusion of delay" he did not think the delays were any more the fault of Britain than of other countries.

SNP demands an EEC role

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

THE SCOTTISH National party yesterday took its post-referendum campaign a stage further by demanding that the proposed elected Scottish Assembly should be given a formal role in securing a direct Scottish influence in the Common Market institutions.

Mrs. Winifred Ewing, MP for Moray and Nairn and the party's nominee for a seat in the Scottish Parliament if one is offered, said in Glasgow that the new Scottish Assembly should have the right to appoint one of the U.K.'s two EEC Commissioners and one of the two U.K. judges to the Community Court.

The SNP, following its failure to win a Scottish No vote in the referendum, is doing its best to concentrate political attention on objectives of achieving direct representation in the European institutions.

Ms. Ewing suggested that a new Scottish ministerial post should be created, for EEC affairs, to represent Scottish interests in all matters at present outside the direct departmental responsibility of Scottish Ministers—such as Energy, Employment, Fishing and Higher Education.

In Scotland's "trial marriage" with the EEC, she suggested that it should be obligatory for Scottish consent to be obtained before the U.K. subscribed to any Council of Ministers proposals. That would be tantamount to giving Scotland the right of veto, which it would not otherwise have without becoming independent.

The emerging difference as to the EEC between the Nationalists and their opponents, is one of degree. The SNP and some in the other parties would like to see the U.K. play a European role. Opponents, notably in the Conservative party, are suggesting a more limited strategy—the creation of a "European desk" at the Scottish Office, and a Scottish "lobbying" office in Brussels itself.

The SNP struck a sour note yesterday on the imminent landing of Britain's first North Sea oil. Mr. Willie Wolfe, a SNP MP, said in a telegram to Mr. Robert Dik, U.K. manager of Hamilton Brothers, objecting to the tanker-loading at the Isle of Grain, on the Thames, tomorrow of the first oil from the company's Argyll field.

The field lying in "Scottish waters," Mr. Wolfe said it would be appropriate to make a "symbolic gesture" and land the first oil in Scotland. There was considerable disquiet in Scotland, he claimed, about the implications of the company's plans to "by-pass Scotland without compensating Scotland."

Graythorn 2, the world's biggest oil platform jacket, was yesterday said to be riding well on its way to the North Sea on its tow from Tees-side. Opponents, notably in the Conservative party, are suggesting a more limited strategy—the creation of a "European desk" at the Scottish Office, and a Scottish "lobbying" office in Brussels itself.

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Iron-making suspended at BSC Hartlepool

IRON-MAKING at the British Steel Corporation works at Hartlepool, Tees-side, was suspended yesterday because of a continuing fall in demand. The BSC also announced a major reduction in the steel-making and rolling mill activities at the Hartlepool works.

Steel production at the plant, which has a 16,000-ton-a-week capacity is being cut to 3,000 tons a week. Only one of the four open-hearth furnaces is operating.

Price cuts announced by BSC yesterday will not necessarily affect retail prices of refrigerators and freezers, according to Mr. A. W. Perry, chairman of the Freezer and Refrigerator Council.

The BSC will continue reeling of a blast-furnace and coke production at the North and South Works will also continue.

BSC said that full consultations had taken place with trade unions at the works and district-official level.

Price cuts announced by BSC yesterday will not necessarily affect retail prices of refrigerators and freezers, according to Mr. A. W. Perry, chairman of the Freezer and Refrigerator Council.

Index link for savings welcomed

By Donald Maclean

THE INTRODUCTION of interest rate indexation to National Savings, which has taken place this month, was welcomed yesterday by Sir John Anstey, president and chairman of the National Savings Committee.

Sir John, who succeeded Sir Robert Balfour as leader of the National Savings Movement last month, was addressing the City of London Savings Committee.

He hoped, however, that the steps into financial indexation would not be extended because that could only mean a complete admission of defeat in the counter-inflationary war. He deplored the fact that circumstances had been allowed to develop over the years to a point at which the indexation moves were necessary in order to protect the new savings of wise individuals who recognised that something must be set aside from today's income to meet tomorrow's demands.

Pallatives for those who suffered in the battle against inflation were essential, but they could not take precedence over the efforts to achieve victory, he said.

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Business Development Manager

Outstanding Opportunity in Progressive British Group

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The parent Group is a British-owned international company with a turnover of around £200m, arising from diverse interests worldwide in manufacturing, commodities and trading. The Company has achieved an outstanding growth record during the last decade, through a vigorous acquisition and diversification programme and the injection of high-calibre management into all functions of their operations.

The Business Development Manager reports to the Chief Executive of the newly formed International Trading Division, whose current interests include manufacturing and marketing in the UK, Africa and North America. Your role will be to analyse the present business, identify areas both for rationalisation and expansion and then to plan and co-ordinate all development projects—acquisitions, joint ventures, licensing agreements or capital investment in existing and "green field" markets and territories.

Ideally, you are around

HOME NEWS

Runnymede Trust
urges watchdog
on race relations

BY PETER FOSTER

A CALL for the Government to take a new and more active role in race relations comes today from the Runnymede Trust, the independent organisation specialising in community relations problems.

The Trust says in a submission to the Home Office—which has asked interested organisations to send "advice and recommendations" before the publication in the autumn of a White Paper on race relations—that a single Cabinet Minister and his Department should carry overall responsibility for formulating and executing policy.

The department should be concerned with monitoring the activities of other Government departments, with assessing developments affecting minorities at a local or national level and should work closely with the Social Affairs Directorate in matters concerning migrant workers and ethnic minorities.

Such a new administrative structure would "not necessarily involve substantial extra Government expenditure."

Certain strategic departments in addition to the principal policy department should contain "equal opportunity branches" with the specific function of monitoring policy towards minorities. In addition the Government should make use of its contracting power to promote equal opportunity in employment.

The Home Office's "urban programme"—which was launched in 1968 to direct Government funds towards local authorities' community relations programmes—should become a more clearly focussed scheme. "More emphasis in particular should be placed on inner-city problems concerning minorities."

Funds provided under the Local Government Act, 1966 ought to be considered together with the urban programme budget, which should become the administrative centre and source of funds for local community relations work.

BBC governors reject
a 'court of appeal'

BY PETER FOSTER

A SUGGESTION THAT an independent Broadcasting Council should be set up as a sort of moral court of appeal against the BBC is rejected by the BBC Board of Governors in a submission today to the Annan Committee on the Future of Broadcasting.

The memorandum maintains that such a body—which has been recommended by a number of pressure groups over the past few years—would diminish the authority of the Board of Governors and, in doing so, risk a lowering of the quality of programmes. It continues: "We doubt that such a body could be as effective a critic and watchdog as the Board and we therefore reject the notion."

The submission also rejects the suggestion of a restructuring of the Board on the lines of a public corporation or a private company board, the commonest form of proposal being an enlargement to take in members of the BBC's professional staff.

Such a scheme, it says, could add to internal tensions while the fact that the professional members of the board would have to be appointed by the Crown could bring accusations of political preference.

"We believe that the creation of an industrial-type board would not solve the problems it is designed to solve and could create a further series of problems."

The board believes that increasing its effectiveness "is mainly a matter of internal change." Nevertheless, it makes a number of detailed submissions to the committee on such issues as its size and the duration of office.

"While the size of the Board, in the opinion of some of the Governors, could with advantage be slightly reduced, we have no doubt that increasing it would make it unwieldy and less effective."

It maintains that the present term of appointment to the Board of five years is insufficient, and that the normal term should be six years, with the possibility of renewal for succeeding periods of not more than two years at a time.

Concern is expressed at the frequent delay in replacing retiring governors, and as the fact that the remuneration of Ordinary Governors has not been increased for 17 years.

The memorandum supports the maintaining of a wide spread of interests among the Board's members and of "a balance of political sympathy."

Shopkeepers to present
VAT plans to Excise

BY JOHN BOURNE, LOBBY EDITOR

TWO RADICAL proposals to ease the impact of multi-rate VAT on 2m small shopkeepers and traders are to be presented to the Customs and Excise.

The move is the result of the intervention of Dr. Mark Hughes, MP, Parliamentary Private Secretary to Mr. Joel Barnett, Chief Secretary of the Treasury.

Dr. Hughes' talks last week with the National Federation of Self Employed led the federation calling off its threatened boycott of VAT collection from July 1.

He said yesterday: "There are two ideas to be discussed with the Customs and Excise and, probably, the Inland Revenue. The first is that there should be an option open to all small traders with a limit of a certain throughput say £25,000 a year—to be allowed to pay VAT on a composite or weighted average of their VAT liability over the various VAT rates."

"This would greatly simplify their book-keeping and accountancy, bearing in mind the different and complex rates of VAT."

"Second, payment of VAT should be made annually and not quarterly. However, firms would pay in advance regular amounts on account by bankers order or similar method."

"The Customs and Excise, if it is proposed, would at the end of the year make an adjustment for over-payment or under-payment of VAT."

Tribune Group discusses
its defensive tactics

BY RICHARD EVANS, LOBBY CORRESPONDENT

THERE WERE sharp exchanges from the Department of Industry, at a Tribune Group meeting last night over the tactics Labour's left wing should adopt now that it is on the defensive after the referendum.

The discussion was caused by the highly critical letter sent to the Prime Minister last week by Mr. Sydney Bidwell, Tribune chairman, on behalf of some of the group after the transfer of Mr. Anthony Wedgwood Benn

from the Department of Industry, to the Department of the Environment, and a member of the group, dissociated himself from the letter and said that he had the support of other members of the group.

His claim was confirmed last night when he tried to placate his fellow left-wingers. A minority supported his view that the group had over-reacted in their protest to Mr. Wilson.

Traffic problem on isles

TRAFFIC densities among the highest in the world are causing serious problems for Channel Islands' authorities.

Currently Jersey has some 44,000 registered vehicles of which 35,000 are private cars, including 4,000 hire cars. Guernsey has 26,500 registered vehicles of which 21,500 are private cars. By the end of the year Guernsey's figure is expected to reach 28,000. Both islands are now also served by car/passenger ferries although caravan importation is virtually banned.

As Jersey has an estimated 500 miles of road, and Guernsey only 300, each island has a road vehicle density of one vehicle for every 40 feet to 50 feet, or in relation to the population more than one vehicle for every two persons.

The Guernsey problem has now been referred for further study to three committees of the island parliament.

In Jersey too, traffic continues to dominate the island environment with vehicle noise and exhaust pollution reaching hideous proportions in the narrow streets on hot, sticky summer days.

LONG RANGE WEATHER FORECAST

It will be warm, but rather wet

The long-range weather forecast for the next 30 days issued by the Meteorological Office says the weather will be mainly warm with some short wet spells. The forecast says: "After a cool start, a good deal of warm, mainly dry, weather is likely but temperatures and sunshine totals will be above average, especially in July. Total rainfall will probably be near average but above in Wales and Western England."

Egypt air row may
end in more flights

BY LORNE BARLING

A DISPUTE between British Airways and Egyptair, the Egyptian national carrier, over the number of services to Cairo and London, is unlikely to stand in the way of the great increases in traffic in the near future, airline sources said yesterday.

It is widely accepted that rapidly developing trade between Egypt and the West, recently boosted by the £450m arms deal with the U.K., will necessitate a considerable increase in services. The opening of the Suez Canal and more tourism are also important factors.

Egyptair makes four flights a week between London and Cairo, cut by Britain on March 31, from a concessionary six a week.

The cut was seen as retaliation against the Egyptian Government's refusal to allow British Airways to export an undisclosed sum of money from Cairo.

Solution hope

Egyptair's chairman, Mr. Gamal Erian Seif-Nasr, is in London, but no talks with the Department of Trade are planned. British Airways believes that a solution will be found at the next round of bilateral Government discussions.

Both airlines expressed confidence yesterday that passenger traffic on the route would increase sharply in the near future, because of increased trade, which it was felt would ease Cairo's hard line on export of foreign currency. At present, money earned within the country cannot be exported unless it has been invested nationally for a time.

Crime up 6%
in first quarter

Criminal offences recorded in England and Wales rose by 6 per cent in the first quarter of this year compared with the first quarter of last year, the Home Office said yesterday.

The increase, from 470,000 to 499,500, was most marked in the offences of robbery and of fraud and forgery, which rose by 24 per cent, and 14 per cent respectively.

Reed shares
tax appeal
in Lords

THE INLAND REVENUE began a House of Lords appeal yesterday against a Court of Appeal decision that a £36m. debt to IPC Services by the cancellation of 15m. Reed International shares held by that company was not subject to ad valorem stamp duty under the Finance Act 1898.

The share cancellation was early in 1970, when Reed made a takeover bid for all the Ordinary shares of IPC which it did not already own. IPC Services, a wholly-owned subsidiary of IPC, owned 15m. Ordinary shares in Reed.

Reed cancelled this shareholding by reducing its share capital to the value of the cancelled shares, and thus became indebted to IPC Services for that amount, with interest at 10 per cent per annum.

The reduction of share capital was sanctioned by the High Court. The share cancellation created a debt of £36,404,785.

The Inland Revenue asked the Law Lords to restore the decision of Sir John Pennycuik—reversed by a majority in the Court of Appeal—that the transaction was a "funded debt" within section 8(5) of the 1898 Act, it being of the nature of capital, bearing interest and of long or indefinite duration. They also contended that it was "capital raised which has the character of borrowed money," within the same statutory definition.

Ulster strains cause
priest's resignation

BY OUR OWN CORRESPONDENT

ELFAST, June 16

THE STRAINS affecting the integrated location of Protestant and Catholic children, which Father Wilson appeared to support in speech last year, has been illustrated by the resignation of one of Ulster's best known priests because of disagreements with his superiors.

He is Father Desmond Wilson, a curate in Ballymurphy, one of Belfast's most troubled districts. Father Wilson is well known as a writer and broadcaster, who has combined a liberal view of the stance the church should take with forthright condemnation on occasion of the authorities and security forces.

Father Wilson said his resignation from his parish—although not from the priesthood—was because of disagreements over administrative matters; the treatment of people in and outside the Catholic Church; financial policy; and the leadership which should be available to people at this time. He refused to elaborate further.

The Bishop of the diocese of Down and Connor, Dr. William Philbin, who accepted the resignation had also no comment to make but the incident is believed to reflect long-standing differences.

In general, these are over the authoritarian and traditionalism of the Irish hierarchy, which in turn reflect the views of most of the Irish hierarchy. One issue is the question of the location of Protestant and Catholic children, which Father Wilson appeared to support in speech last year, has been illustrated by the resignation of one of Ulster's best known priests because of disagreements with his superiors.

Police
made few

Mr. C. J. P. Macmillan, Commissioner of Police for the City of London, has been awarded a British Institute of Management "Lifetime Achievement" award.

Altogether 28 fellows were created, including Mr. J. A. Dickson, director of the Forestry Commission, and Mrs. Mary Hill, managing director of the Broom's Barn, Secor, and author and reader management at the School of Economics and Political Science.



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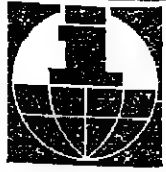
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Tuesday June 17 1975



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CONTRACT FURNISHING

The demand for contract furnishing appears to be falling off and its immediate future is likely to be affected by trends in the property world. The industry is fragmented and about 75 per cent. of the market is shared by small firms.

Creating the right image

CONTRACT FURNISHING can be defined in many ways and embraces many activities. Its broadest definition is that it is the sale of all non-domestic furniture. But according to some experts in the industry it is the providing of specialist advice on how to fit out premises such as an office or hotel, and then co-ordinating the supplies of the required furniture, fittings and other materials.

Not only is the contract furnishing industry ill-defined, it is also poorly monitored and there are few reliable statistics. Each firm that keeps its own figures has its own definition and it is difficult to arrive at some kind of consensus. One figure published seven years ago suggested that the industry was worth £100m. Yet many people in the industry agree that the real figure for 1974 was nearer £70m. Like the furniture industry, to which it is inevitably aligned, the contract furnishing industry is very fragmented. It is doubtful if even the single biggest market share is over 8 or 9 per cent. Probably about 75 per cent. of the market is shared by the dozens of small firms that play only a part in the total contract furnishing function—from the conception of how, say, an office should look to the actual delivery of the furniture and completion of the decor.

There are many people involved in the whole process, from architects to designers, consultants, manufacturers and, of course, the retailers, many of whom have their own contract furnishing departments.

The industry is even more split vertically. In supplying the various materials that make up the modern office, from fabrics, carpets, furniture, equipment and other aids. Then there are the specialists who undertake surveys of work flow in the office and advise on what kind of systems are best suited. Of course, some of the larger contractors offer this service as part of their normal business.

Although the U.K. market is as far advanced in contract furnishing as most others, it does not always take the lead in design. The market is particularly noted for the amount of cross-fertilisation which takes place and many of the furniture ranges that are presented by the contractors have been designed in Italy, Scandinavia, Germany or in the U.S. Naturally, there are many British designers who can stand proudly next to their international counterparts, but their force is not strong enough to dominate the market.

While many Continental ideas are brought into this country, Britain's most successful export product in this field are Elizabethan and Tudor plans for pubs, restaurants and even office furniture.

Aware

Contractors in the U.K. are fortunate in that many senior managers are at last becoming aware of the importance and benefits of having modern ideas and decor in the office to create the right kind of environment in which to work and be contented.

Because of the relatively low status of business in the U.K., though, the standard and ambience of offices are not up to the standards in the U.S. or Germany where businessmen appear to have higher status in their societies and take more

pride in the office environment. Yet one aspect that British businessmen cannot get away from is the element of cost. As office rents go higher and space becomes more valuable, so the benefits of flexible systems of office partitioning and decor become appreciated. So it is not surprising to find that one of the fashions at the moment is the flexible, modular system that can be adapted to almost any office environment and rearranged easily and at will. If the "in" word during the 1980's was "Integrated Design," the vogue to-day is for systems, and this influence can be seen in most of the furniture ranges offered by contract furnishers.

The types of contract which a practitioner can offer depends very much on the scale of his operations. The developing

trend to-day is the turnkey project in which a practitioner aligns with other specialists to form a loose syndicate of builders, architects, and so on to offer the full range of services for any project irrespective of size or location. This approach, which is being pursued by most of the bigger firms, is especially apt at a time when, partly as a result of the present low level of new office building, there is a likelihood of a recession in all parts of the industry over the next two years or so. Exports and work abroad naturally then become more important.

There are not many firms that can offer the complete service (excluding the actual building, of course) of contract furnishing, for that implies having one's own manufacturing facilities, retail outlets, office planners and so on. For the firms that can provide the comprehensive service like to become involved in the project right from the beginning.

In some cases their experts will de facto become a part of

the management of the project and help advise on what kind of furnishings will best suit the personality of the company, the new building and so on. Many projects, though, do not need such full treatment and there are many small firms that can give advice on a consultancy basis and are sometimes more independent than the big groups, which naturally like to push their own furniture on to the client. (There is a presumption, of course, that the client is attracted by the contractor's range before he approaches them, anyway.) Even many of the medium-sized retailers can provide some kind of service, too.

Repair

One of the most important ingredients in the service is the survey of office functions. Unless this is done properly in the first instance, the whole object of the exercise could be lost. Like most other contractors, Carson and Shannon measure, through the survey (which can take up to a week to complete) that the client gets the right kind of furniture or floor cabinets to suit his need.

Essential parts of most contracts are also the maintenance and repair clauses, often part of the warranty, and the fact that the contractor can ensure an adequate supply of extras to the range he has supplied.

Many of the firms in the contract market have their own selling forces. But most of the business is obtained through recommendation, reputation and follow-up. After all, if a person does not like the Heu range, for instance, he is unlikely to ask the firm for a quotation. But Heu's has such a fine reputation that it is probably one of the few parts of call for many people who can afford its prices.

The development of the industry over the immediate future is likely to be affected by trends in the property world and the way that Government legislation affects it. The signs at the moment suggest that it is the strongest firms that will best survive the recession which has only just begun, and at the lower end of the market. The extravagances which have accompanied some of the contracts of recent years are unlikely to be seen for some time. But the basic needs for contract furnishing need never be questioned—it has become clearly established as part of the upgrading of the whole office operation.

Demand for carpets eases off

CARPETS ARE becoming a vital link in the presentation of better offices in the U.K. They can make an office more comfortable, better to look at and so help create a nicer atmosphere which can help create a better working atmosphere among staff.

This factor of having a better environment is becoming one of the important elements in recruiting and keeping staff at a time of high staff turnover and increasing salaries.

But carpets can also save money through improved thermal insulation which reduces heat loss. They can also be cheaper to maintain, thus cutting down servicing costs.

Naturally, though, the current economic uncertainty is going to affect the market.

Already some contractors are stating that although there has been no appreciable downturn in the volume of business done, there has been a marked downgrading of the quality of carpets being installed by customers. After all, among the choices that any business has in a recession, cutting the costs of carpets is in many ways the easiest as when the economic climate improves, there is another chance to lay a more impressive floor. The cutback in the number of building starts and the quality of buildings is, of course, another feature that can affect the carpet contracting business.

To some extent, however, the cutbacks in the home market can be made up in the expanding export business. In the first half of 1974 exports rose by 88 per cent. from £26m. to £44m. In some cases the rise has been even more impressive. Perhaps the most buoyant sector of the market is the carpet tiles. According to Contract Carpeting, the Architects and Specifiers Guide Series (which any prospective customers ought to examine before entering into a contract, for it contains a lot of wise information about the subject), the tile manufacturers are reporting increased volume and the leading manufacturer predicts an increase of about 50 per cent. in sales. The reason for the popularity of using tiles is that they are easy to lay and have little wastage.

However, as the Guide points out, carpets increased their share of the overall market, possibly because of the greater use of carpet tiles. The greatest volume growth was in the commercial office sector, followed closely by the industrial office sector.

Of the total annual U.K. carpet tile volume of some 3.5m.

sq. yards, offices accounted for the biggest slice. The other main sectors were schools, hospitals, shops and hotels.

The trends, in recent years have been for an expansion in the office sector because of the expansion in the amount of available office space and the amount of new building being done, while there has been a fall in the work done in hotels following the fall in the construction of hotels after the boom period of the early 1970s.

The choice of floor covering material is usually decided by the architect in new building projects, while in the replacement market, which accounts for around two-thirds of the

total, the decision is normally made by the contractor or maintenance manager. If the contract is large and the client wishes to go out to tender, there are various approaches to use. There is the conventional tender where you choose a stock carpet, colour, weight, pattern, etc. Alternatively the client can decide how much money he can afford on this part of the total contract and consult a number of suppliers to provide specifications within the contract price. Finally, there is the combination of the two, where rough estimates of the cost of all the kinds of carpets available are assessed.

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Deals can vary widely

THREE GROUPS which are prominent in the contract furnishing industry, and between them share probably over 12 per cent, of a very fragmented market are Conran, Hille International and Heals. Between them, they indicate the kinds of package deals which can be arranged and the various choices available for the customer. There are, of course, other equally capable firms in the field.

Conran Associates is the design side of the Conran and Habitat group and does not always become involved in contract work. In those cases where Habitat advisers see the need for specialist services, they will recommend their associates who will in many cases charge separately for the consultations.

The furniture ranges of both Conran, which is more up market, and Habitat are available on a contract basis. In those cases where the full requirements of the client cannot be met from either of these ranges, however, furniture will be bought in from other suppliers. But since most contractors make most of their profits from the sale of furniture rather than from fees for advice, this expressed policy has a limited value for all the companies in the field.

Habitat has been expanding its contract side and has seven salesmen specialising on this side, with the intention of adding a further seven in the near future. These salesmen are self-employed and earn their money from a commission, normally about 20 per cent, on the sale of furniture under contract.

Showrooms

They sell from catalogues or invite prospective clients into the Habitat showrooms and pick up most of their business through personal contact with architects, office planners and others in touch with what's happening in the office field. According to Mr. Peter Hope, director in charge of Habitat's contract operations, there are plans to open several showrooms across the country, including Cardiff and Newcastle. The core of the product range is the Olivetti Synthesis 45 furniture which is built designed around the use of equipment and is aimed at the middle-price market.

Although, like the other firms interviewed, Habitat reckons it has not been affected by the market downturn, it admits that a lot of potential jobs were postponed last year and that some of the smaller jobs are beginning to come back—the small firms that want to show a brave face at reception. Again, like the other firms, they are planning activities abroad to compensate for the uncertainty in the home market and are currently engaged in getting together a consortium of talents to bid for large projects in the Middle East and elsewhere. Habitat does not have its own manufacturing facilities but its own designers has furniture made up to its own specifications.



A restaurant in a pub furnished by Oliver Designs.

Hille International is one of the biggest operators in the U.K. and also offers two separate ranges of furniture. One is presented by Form International under a licensing arrangement with Knoll International of the U.S. which is aimed at the middle to upper price bracket, is mostly designed by international rather than British designers, but is made mostly in the U.K.

The other range is from Hille International, designed mainly by British designers but is sold worldwide. It is this range which will be used in the £1m.

contract recently won by the group to go to the World Trade Centre in Hong Kong. Hille, in fact, has licensees in 40 countries and as particularly active in South America and Europe.

The group has three factories—in Watford and Haverhill—and although it does not employ its own designers on a full time basis, it does have various exclusive arrangements with well-known designers in the U.K. and abroad. "Our range is flexible and wide enough for most jobs," says Mrs. R. Julius, a director, "but we will use furniture from other firms to fill those gaps where they exist."

The firm likes to get involved in the initial stages of a

new building going up because, as Mrs. Julius says, "the furniture must suit the type of building the client is moving into and his kind of operations." It is essential, she adds, that the office planner has direct access to top management and can form a close liaison with the various department heads to study the organisation of paper flow, inter-relationships between departments, status situations and so on.

A typical package deal depending on the brief will involve analysis of job functions, advice on decor, light structural rearrangements, providing the complete interior furnishings and some of the fittings as well as the co-ordination of the contract including deliveries and

installations. Naturally some of the work, like arrangement of dropped ceilings, will be subcontracted.

Apart from the fee for systems analysis, there are charges for the supply of furniture and other equipment. Where there is no systems analysis there is a small advisory fee to deter frivolous inquiries.

Hille operates through its direct salesmen as well as official stockists of its ranges and also has a specialist group to look after the institutional clients like local authorities, hospitals and so on. This year, admits Mrs. Julius, it is harder to get orders because of the general economic uncertainty, but she claims that Hille is still

keeping pretty busy.

Heals Contracts reckons to have about £3m. a year turnover and also has a separate building, decorating and joining company that generates another £2m. in sales, making it one of the largest in the industry and the most widely spread, too. There is also Heals Fabrics and a servicing company so the group can provide a fully comprehensive service.

Ranges

The group makes its own standard ranges of furniture but reckons that about a third of the contract side is from other suppliers. About 60 per cent. of the work it does is in offices, boardrooms, dining rooms and so on. But it also undertakes work for banks, hotels, leisure groups (casinos) and ships. "Every British liner since the war has been fitted with Heals' furniture," claims Mr. A. Skeel, the man in charge of the group's contracts. To complete the picture, the firm also does work for local authorities and Government on a contract basis.

The general market, says Mr. Skeel, took a nose-dive last September as the economy got worse. But, because Heals had some big contracts under its belt, it has not felt the pinch as badly as some of the smaller firms and Mr. Skeel expects the company to improve on last year's profits, mainly because of the increase in exports which could account for as much as a quarter of total turnover, against around 15 per cent. in 1974. The market, though, is not bad enough to deter Heals from opening its third branch at Glasgow—it is already represented in Birmingham apart from its well-known Tottenham Court Road showroom. Heals charges a consulting fee and a design fee but most of the profits come from the sale of furniture. And, of course, there are special contract prices, depending on the size and complexity.

Needs of the office

THE OFFICE environment is attracting more attention and is becoming an issue even in the boardroom. One reason is that, like any mature economy, an increasing proportion of the labour force are white collar—so there are more people to house. Another reason is the "social wage" which companies can provide simply by creating a better working environment. This is especially true of firms that decentralise or move into new premises even in urban areas.

As managements are beginning to find out, moving office provides an ideal opportunity to reassess the whole organisation. And the people involved in contract furnishing can offer a useful service in this process. If a contractor or consultant is approached before management makes firm decisions, they can give advice on how to rearrange the paper flow, status of office staff and relationships and other important functions.

The designers of office furniture are well aware of these functions when determining what kind of furniture is best suited to modern needs. And, although the trade is apt to coin complicated words to express basically simple concepts, their efforts add greatly to creating more efficient offices.

Because of the building boom which peaked in 1973, many contractors are still involved in fitting out offices in new buildings and it is estimated that about half the work they are currently doing is concentrated in this area.

Desks

About a fifth of the market is in executive and typists' desks—a market worth about £14m. a year at current rates. Desks are often the focal point of an office, the place where most of the activity is centred. In 1974 it is estimated that about 380,000 desks were sold to business. Of these, about 270,000 were made of wood, making up a market worth some £10m. Against an average price of just under £40 for a wooden desk, the steel desk averages out at around £45—in 1974 some 90,000 steel desks were sold for about £4.1m. One of the leaders in the field is Roneo Vickers, which claims to have about 15 per cent. of the whole market and a little under half of the steel desk sector in which it specialises.

The trend, according to Roneo Vickers, is towards desk systems, that is, desks that can be moved around to offer a number of various positions and allowing for space

savings—one of the vital factors concerning management in an age of high and increasing office rents. The system is designed for maximum flexibility and can incorporate the basic office structures. A fully equipped working situation consisting of the panelling, desk and seating, lighting and office machinery can cost between £300 and £550 per person. Alternatively, this cost can be deployed among two to four operators sharing the same area.

Roneo Vickers claims that savings in floor area of about 20 per cent. can be made using the modular series of screens, desk units and filing units. This is the kind of design which has become fashionable among many of the contract furnishers. One advantage of the Roneospace, as it is called, is that there is no need for screws, rivets or other fixing components. Every component is mobile and interchangeable, making it possible to create a series of alternative working environments.

Another, similar system has been introduced by G. A. Harvey Office Furniture and is also ideally suited to open plan.

Called the Space-setter it comes in a choice of four wood finishes in chrome or light grey frames: the pedestals, drawer fronts and screens are available in four colours.

Like other contract furnishers, Harvey can help design the office layout, including advice on choice of colours and can supply and fit any other items required. Another idea being presented by contractors is the executive desk that incorporates a lift-up flap to provide instant conference or dining room facilities. There is one from Gordon Russell called "Series 3". Form International has an attractive one, too; and Caplan Profile has a system of fitted brackets allowing tables to be converted into single or double pedestal desks, to which typing extensions and filing or storage cabinets can be placed to form compact and space-saving units.

Chairs

In chairs, for both executives and typists, there is the continuing discussion about the importance of posture—for a badly designed chair can present hazards to even the

strongest backs. This is certainly one point to watch for and discuss with the consultant or contractor. Another is the potential fire hazard and in this respect Heals has an interesting new chair which it claims is resistant to fire. Tests are being conducted and the chair should be on the market soon. Many office chairs to-day are being made of new materials and it is becoming common to see plastic chairs impressively dressed up in colourful fabrics.

Modular designs are "in" for office furniture and equally in vogue as far as office design is concerned. The new head office for Finance for Industry at Waterloo station is an impressive example of the new trend. Wall partitions can be moved easily, making the construction of cellular offices and open space divisions simply a matter of unscrewing some partitions and putting them up elsewhere. Lighting, air and sound conditioning operate from the ceiling. The new headquarters of insurance brokers Sedgwick Forbes is another fine example of this theme.

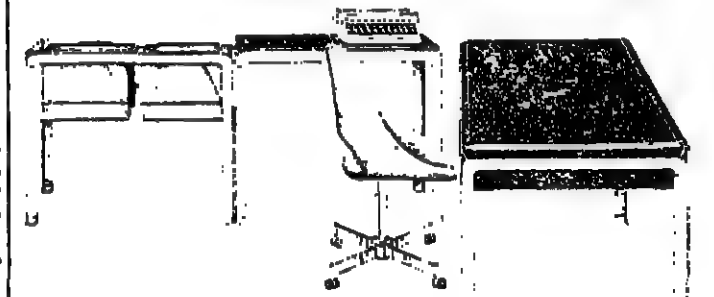
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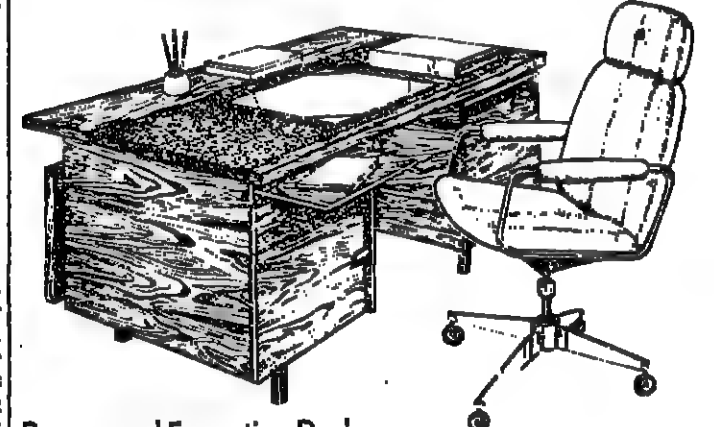
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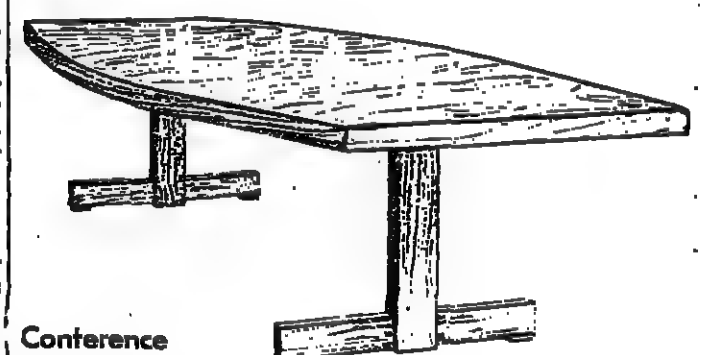
Polyprop chairs are made for strength and comfort and are part of the system. They come in a variety of types, on leg or swivel bases, covered in PVC, hide or any one of a number of fabrics.

The desk is designed by architect Arne Jacobsen. It includes work stations, filing trolleys, cabinets in steel frames with natural beech tops. The whole system is designed to smooth work flow in medium and large offices, at an economical price.



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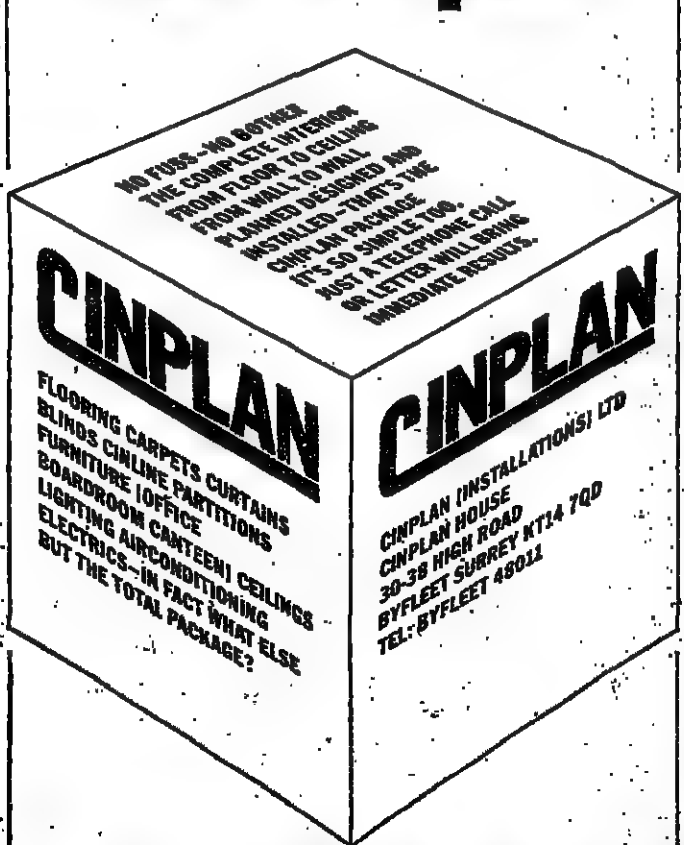
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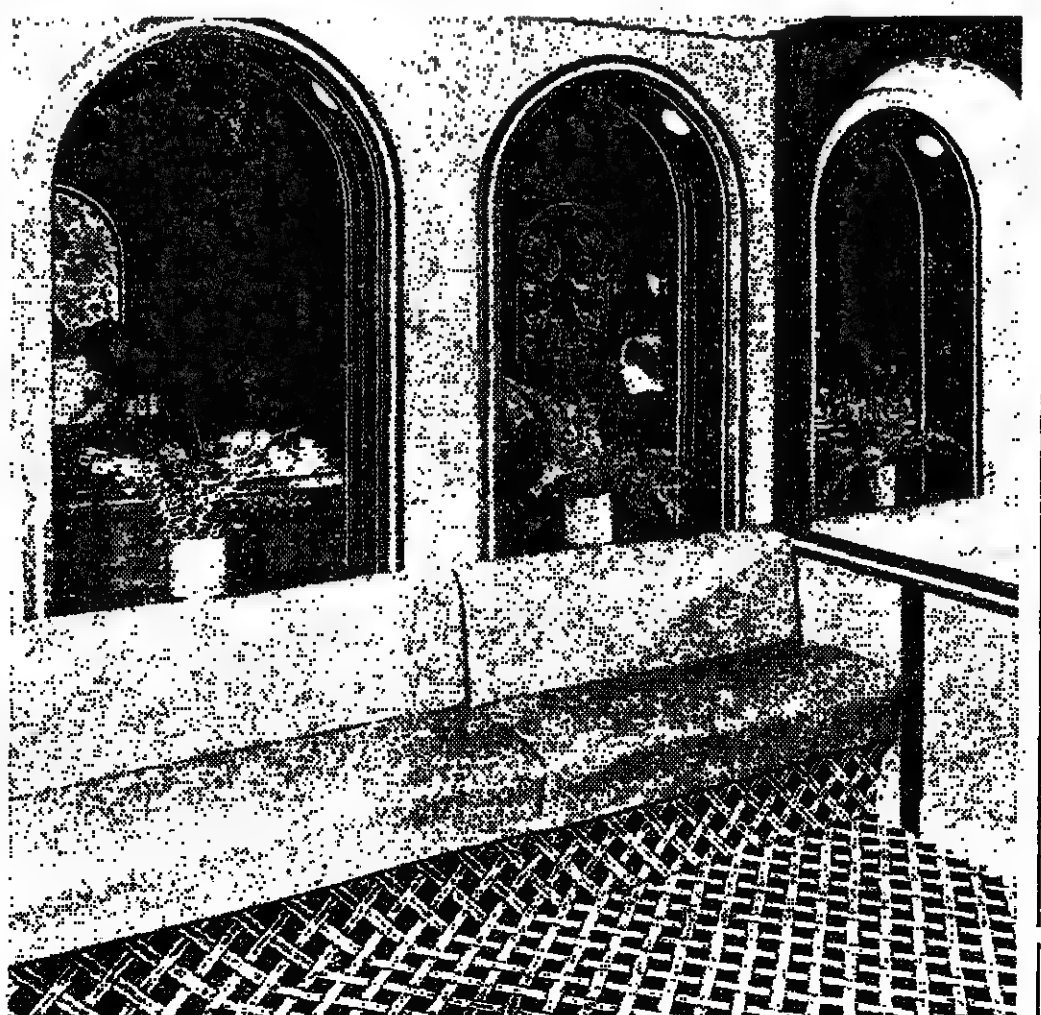
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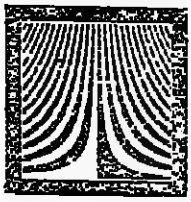
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The Mayfair Coffee House fitted out by Bullens Furnishing Contracts.



The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHROETERS

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Quality will sell in any market

ALTHOUGH the major force in ASEA Electronics production so far has been its power converters—representing half the current annual turnover of well over SKr400m—many other products are in the pipeline. Among them are a number of devices aimed at providing a first-class solution to problems the electronics giants have tackled.

Because of this the company is confident that its present 25 per cent. growth rate will carry it on to something like five times its present size in 1983.

One reason for this confidence is the way in which its products are accepted outside Sweden, even though 85 per cent. of the group's world sales are made at home. Backing this constant export drive is a research and development expenditure of some 20 per cent. of turnover plus a contribution to the central laboratories. In this context it is significant that America's General Electric company has taken a licence to manufacture thyristor locomotives to ASEA, although since 12 years ago ASEA was

using GE know-how to set up its power semiconductor facilities. In the meantime, per capita output for the two groups has altered in ASEA's favour—in 1965 it was 50 per cent. lower.

All this has to be considered in the light of a deliberate policy to improve most designs within a lifetime of four to five years. Such policies are dictated by cut-throat international competition and the fact that—in power semiconductors especially—capabilities are advancing so fast.

Power saving

At present, a major effort is being concentrated on methods of controlling processing plant machinery etc. to cut lost running time down to an absolute minimum and this is an area where packages are likely to sell very quickly, especially if energy costs rise and governments insist on compulsion to cut its power usage.

There also is likely to be a great extension in inter-connection between European countries to take the best possible

advantage of generating capacity.

Here, the prominence of the company in direct current transmission and conversion will come into its own. At present it is producing thyristors capable of handling up to 800 amps per component or 1,800 amps per converter bridge. Capacities have trebled in three years and this rate of advance is likely to continue.

Linked closely with all the foregoing is the activity of ASEA-HAFO with plants on the outskirts of Stockholm. A relatively new acquisition by ASEA, this unit is the company's integrated circuit activity supplying some 200 custom-designed devices to the group and outside buyers. In the production of these low-power units, the company is not attempting to compete with the giants but, as mentioned above, perfect its manufacturing techniques so as to be able to move in quickly where the need for a special unit arises.

Like the electronics plants at Enköping and Vasteras, HAFO relies heavily on computerized design and uses the Kedac/Racal

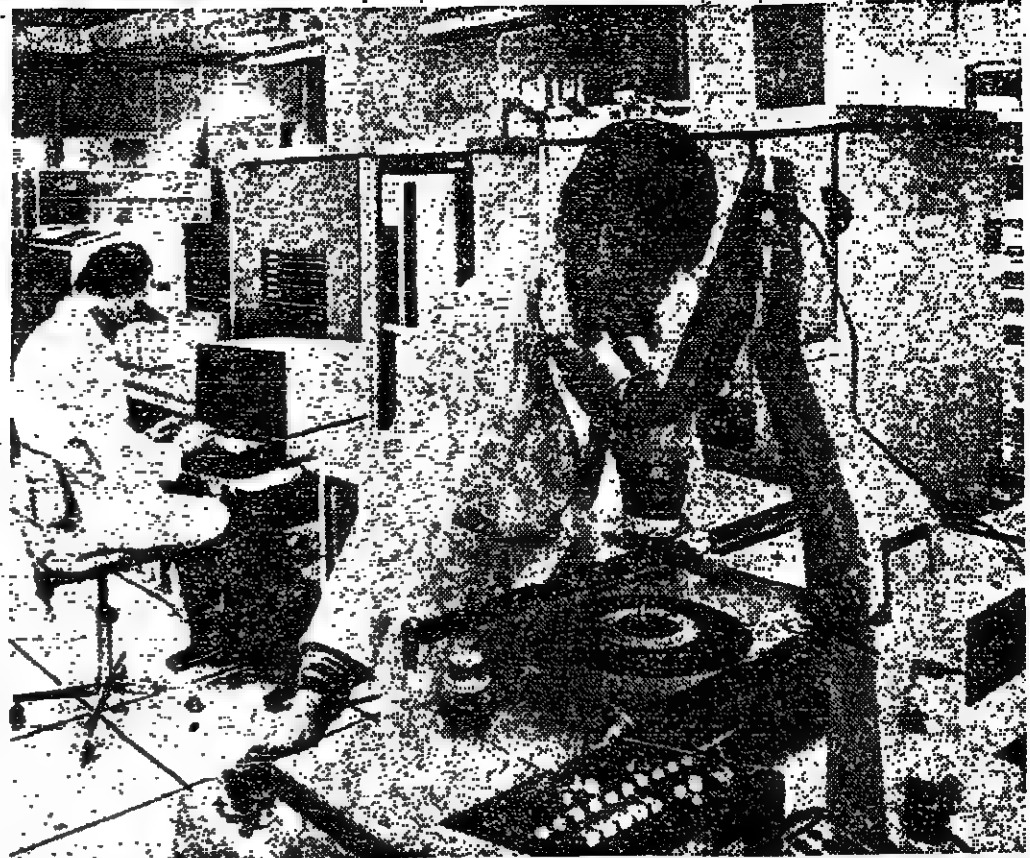
software from Britain.

It is also deeply involved in testing of incoming components and has designed a number of devices and software packages to test even the most complex units, such as the solid-state memory modules.

The company has taken an RCA licence for the production process used, but is designing its own devices, initiating its first prototypes in August last year with delivery to users by December. Some £2m. has been invested in plant so far and turnover this year will be around £3m.

One of the most interesting products to come out of the HAFO centre so far is a non-mechanical printing head for desk-top calculators. It is a replacement for the ubiquitous mechanical printing mechanism that most calculator builders import from Japan and has minimal current drain to produce the characters on thermal paper.

The nine character printing head consists of a ceramic substrate and a row of thick film power resistors. The resistors, five for every character, are



separated with laser-cut notches, providing close mechanical spacing with small tolerances. The current to the resistors is controlled with a multichip diode decoder, also on the ceramic substrate.

In a hard copy unit the printing head is mounted with slight spring pressure against a roller. When the thermal sensitive paper is passing between the printing head and the roller, current pulses are fed to selected resistors so that the desired symbols are generated. The spring action originates from the mounting pins on the substrate.

With its new thick film printing method, ASEA-HAFO has achieved very good thermal insulation between the hot resistor and the cool ceramic substrate. Resolution on the paper is

excellent and the short thermal time constant of the spot leads to fast printing action.

The new printer head has the ruggedness inherent in thick film technology and no moving parts. Batch processing of the thick film resistors. It also has a definite edge in cost over competing devices.

In another important new area of the electronics field, the company believes that a team under Dr. H. Nettelbladt has solved

the problem of degradation of light-emitting diodes, used in the displays of many calculators and other equipment.

Short life

There are cases where gallium arsenide units have degraded severely after 200, rather than typically 10,000, hours and as these frequently are used in optical computers, the situation is not acceptable.

For several years ASEA-HAFO made extensive characterisation and life testing of such devices from all main manufacturers on behalf of the Swedish electronics industry.

Besides the statistical data derived, the testing gave clues to improved methods and important information on the

physical failure mechanisms involved.

In smaller sized planar LED chips the main cause of degradation, proved to be a bulk phenomenon, not a surface problem according to common belief. An important spin-off from this work is that life test data can be obtained faster by measuring degradation at a lower current level than the operating current.

To guarantee reliable devices the HAFO manufacturing process eliminated the main cause of degradation: screens all chips before attachment to devices and applies a three-level quality assurance.

The first level of the quality assurance is a weekly quality test in addition to the normal production testing. Every sixth week a more elaborate test with emphasis on long-time degradation is carried out, and every sixth month the components have to go through a full characterisation.

The company has done away completely with all plastic insulation close to the transistor surface. Its optocouplers take advantage of a patented reflector scheme, providing air insulation and an improved transfer ratio.

NEW ISSUE

All these bonds have been sold. This announcement appears as a matter of record only.

May 28, 1975



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METALWORKING

Shows up defects in big parts

STEEL SECTIONS exceeding 100 mm (4ins.) thickness can be X-rayed by the Philips MG 420 industrial X-ray system available in the U.K. from Wells-Krautwieser Limited, Blackhorse Road, Letchworth, Herts. (0462 26 2944).

The unit has high penetration due to the 420 kV constant potential output at 10 mA. It is of modular design for high manoeuvrability and ease of assembly; the manufacturer has limited the weight of any one module to 100 kg (220 lb).

There are seven basic modules: double focus X-ray tube, twin high voltage generators, power transformer, low voltage power pack, control unit and independent oil-fair cooler.

Accessories include mobile hydraulic tube stand, radiation limiting diaphragms and a centering device.

The entire system is equipped with safety interlocked connectors for its flexible cables, and conforms to British, German and American standards.

Cuts very big bars of metal

WITH A round bar capacity of 1,042 mm (41 inches) the Addison US 1000 machine recently installed at the Stroud, Gloucestershire, works of McEvoy Oilfield Equipment, is believed to be the largest bar-cutting horizontal bandsaw in Britain.

It will handle sections up to a maximum of 1,000 by 1,200 mm (39.4 by 47.2 inches) with a range of speeds and feeds suitable for ferrous and non-ferrous materials, including alloy steels.

This machine is of a twin-column construction with a bandsaw bow raised and lowered hydraulically and counter-balanced. Blade guidance is by two arms incorporating sealed rollers, together with lateral and upper carbide guide blocks and a special compensating mounting to ensure that the blade remains accurately positioned.

The blade tensions automatically to a pre-determined value as the machine is started, being

relaxed when not in use; the blade carriage returns automatically at the end of the cut and a malfunction during the cut, such as breakage of the blade, will also bring the cycle to a halt automatically.

Addison Tool (Sales) Company, Westfield Road, London W3 0RE (01-893 1861) says tests at McEvoy have proved the accuracy and squareness of the cut made by the US 1000; the indications are that a 36-inch (914 mm.) diameter alloy steel billet can be produced with sides parallel to within 0.15 inch.

PRODUCTS

Reading the meter from outside

AN INTERNALLY fitted cabinet that provides outside meter reading facilities and outside access to meters and time switches has been introduced by Clifton Engineers (Luton) of West Cliffe, Lytham St. Anne's, Lancs. FY8 5DS (05316 6251).

The unit fits into or on an internal wall of the property with the meter and time switch reverse-mounted. An aperture in the outside wall, protected by a door fitted with an unbreakable glass window provides meter reading facilities.

There are two separate compartments: the upper with its own door, contains the switch and fusegear for the consumer's use; the lower, fitted with a drop-down door has the meters and time switches on the back of the door. The design permits easy changeover to pre-payment meter.

A security strap fitted to the drop-down door prevents access from inside the dwelling.

PROCESSES

Dryer has options

LOW-COST freeze dryer equipment under the name Modulyo, is ideal for laboratory work or pilot runs.

Clifton High Vacuum (BOC) is offering it as a basic unit, comprising simply a cabinet containing an air-cooled refrigerator, compressor and a condenser chamber together with appropriate connections and switching. It is also available complete with a whole range of accessories: vacuum pump, gauge process attachments, coupling kits, and so on.

This gives customers the option of making use of any equipment they may already have, such as pumps or gauges, but if a complete unit is required the total specification can be tailored exactly to the requirement. In either case initial expenditure can be kept to an absolute minimum, while the capability of the unit can be expanded at any time by the purchase of further accessories.

Basic Modulyo measures only 535 mm wide by 622 mm deep and can be bench or wall mounted. Any suitable vacuum pump can be fitted to a standard 16 mm pipeline from the condenser chamber.

Process accessories include a shift and stopping attachment to take up to 350 vials depending on size, an 8-port drum manifold to take flasks for bulk materials, and a pipeline attachment, which enables Modulyo to be used for removing vapour from other processes.

Further details from Edwards High Vacuum, Manor Royal, Crawley, West Sussex RH10 2LW. 0293 28844.

POLLUTION

Keeps oil from spreading

AN OIL boom intended to offer a simple method of preventing oil spills from getting out of control is offered by Petrie, 35 Barrow Street, Dublin 4 (Dublin 682344).

The idea of the boom is to provide a floating barrier around areas at risk so that any spillage is contained allowing controlled cleaning and reduced risk of the slick drifting.

The booms are made from a fabric claimed to be highly resistant to oil. Each consists of a buoyant float and a skirt that hangs about two feet down into the water weighted by galvanized chain at the bottom. Supplied in

30 foot lengths, they are folded for transport and storage and can be quickly linked into multiple sets of any length using the fittings incorporated at each end. Made in a bright orange colour they are readily visible from the sea or air.

The fabric used in the boom is a pvc/polyurethane mixture coated on a high strength woven polyester. Strength is retained in the sea, no degradation occurs and the material can absorb 30 times its own weight of oil.

AUTOMATION

High-speed colour prints

TWO STAGE processing chemistry used in conjunction with a special processing drum will, it is claimed, allow colour prints to be made in a few minutes.

Known as the Besseler Color System it has been introduced into the U.K. by Foto factors and is aimed at the keen amateur, professional photographers and the graphic arts industry.

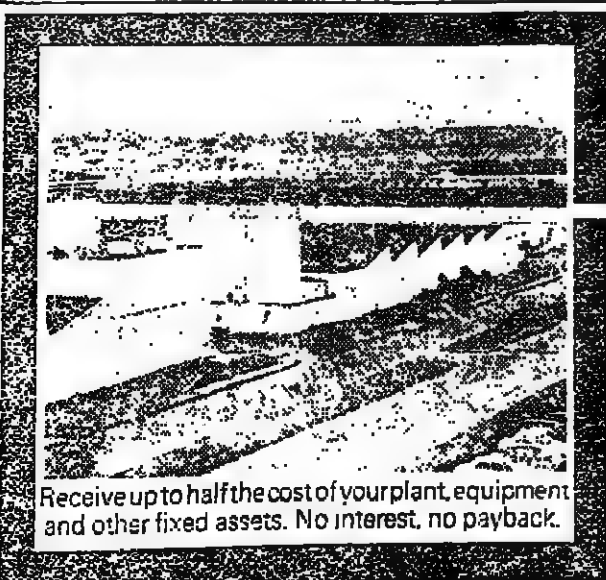
Two chemicals involved are a developer and a bleach, sequentially in the drum. Only three ounces of each solution are needed and at a temperature of 125 degrees F a high quality 10 by 8 inch colour print is made in about two minutes.

For use with existing colour papers (A and B types), the system incorporates a complete substrate filter set and exposure calculator and may be used with any enlarger. The calculator is in the form of a grid consisting of 130 small squares.

A test print is made in contact with the colour paper and the selection of a specific square indicates the filtration and exposure requirements. More from Foto factors, 30 Lane, Taplow, Maidenhead, Berks. (0628 34606).

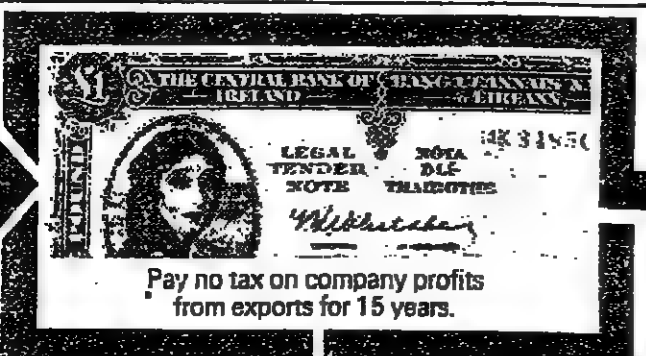
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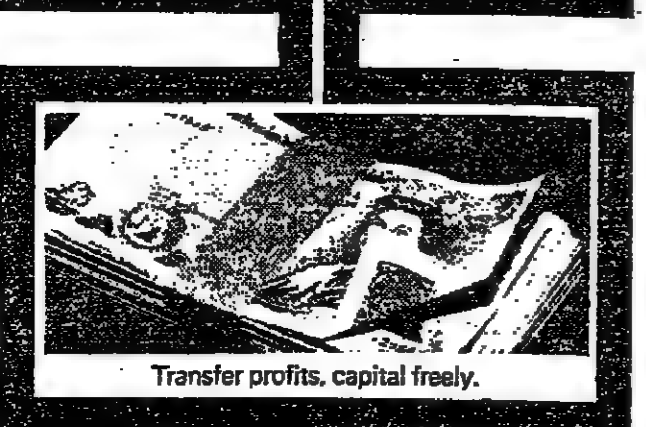


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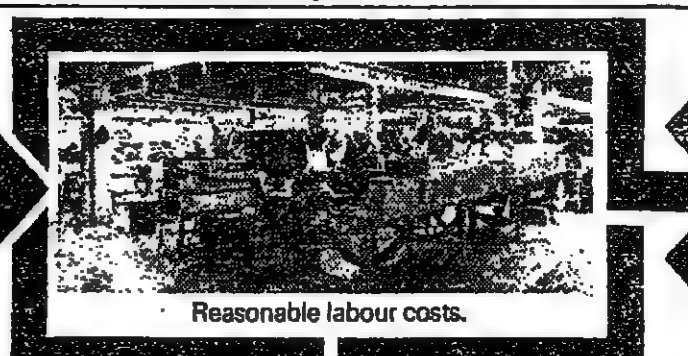
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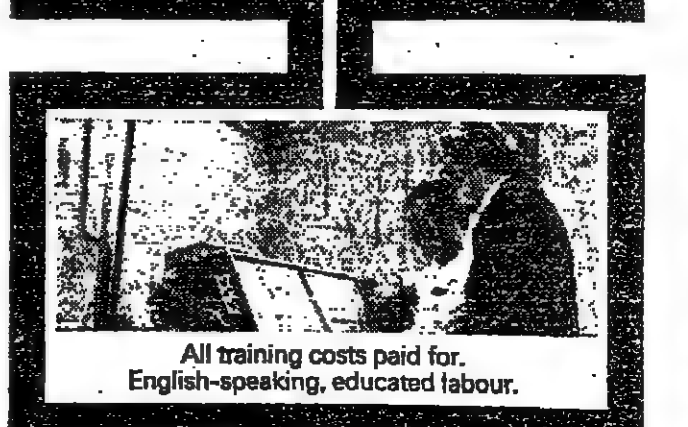
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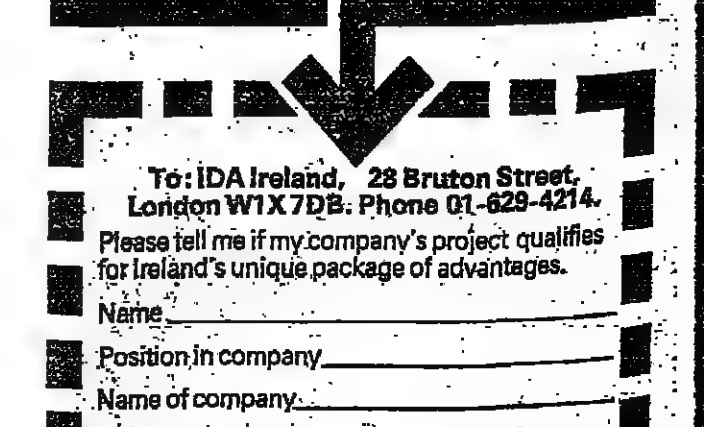
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IDA Ireland

INDUSTRIAL DEVELOPMENT AUTHORITY

The Executive's World

Raising British car quality

BY JAMES ENSOR

VAUXHALL, which at least on the big car side, has seemed to be the weakest of Britain's "Big Four" motor manufacturers, has been enjoying something of a revival. In May, it regained 11 per cent. of the market—indeed, admittedly by a dealer incentive campaign and Leyland's difficulties—a share that it has not seen for many years. The new Vauxhall Chevette had a reasonably good launch and dealers have reported that the increased showroom traffic helped to sell Vivas also—pushing the latter into third place in the market.

Although it may turn out to be no more than a "flash-in-the-pan" the results are heartening for Mr. Bob Price, who took over as chief executive last year. Vauxhall has become something of a graveyard for General Motors managerial talent, as man after man transferred with a successful record at Holden in Australia or GM South Africa, has failed to grapple the particularly deep-seated and intractable problems of Vauxhall.

Mr. Price had one huge advantage: he recognised the scope and depth of Vauxhall's problems. His previous jobs with GM in Switzerland, South Africa and Belgium involved marketing and sometimes assembling Vauxhall products for sale locally, so that he had a good view of the problems which the company encountered in the field. And he readily admits "I have been a pretty strong critic of Vauxhall car products."

Vauxhall's problem, in a nutshell, is quality. In a microcosm, it represented the failings of the British motor industry as a whole. Too often, Vauxhall cars have been exported with problems ranging from persistent vibration in the drive line to poor fit of doors and boot and bonnet panels—weaknesses which could perhaps be glossed over in Britain, but which lose sales in the critical markets of Switzerland and Sweden.

Price was realistic on arriving at Vauxhall. Quality is a matter of attitude and approach and long-established practices are not changed overnight. General Motors has long had a thorough system of quality audits, which checks how the standard of the cars emerging from the end of the production line compares with a theoretical specification. In the worst years, roughly from 1968-70 Vauxhall deteriorated to a score ranging from 100 to 110, against a theoretical maximum of 140. By



Mr. Bob Price, managing director of Vauxhall Motors, in the Quality Audit and Design Section of Vauxhall at Luton, Bedfordshire

comparison, the Opel plants at Bochum and Antwerp run at about 125 to 130 and Vauxhall, today, has edged back over the 120 level.

The reasons for low scores, which are averages of the number of demerits awarded to each and every car coming off the production line range from bad design—where assembly is too difficult in a dirty environment around the paint plant or lack of space to rectify faults on the production line. Curing quality faults often requires a fundamental redesign of the product, or a major alteration of the working area: only rarely can the attitude of the man on the job be blamed and Mr. Price rejects outright the idea that Britons are any less conscientious than Belgians, South Africans, the Italians employed by GM Suisse, or the Turks, Yugoslavs and Germans at Opel, in completing a job.

The major factor in raising the quality rating of Vauxhall cars has been a process which Bob Price calls "Grass Parades." Originally held on the lawn outside GM factories or assembly plants, the "Grass Parade" is a regular morning session in which the service managers of Vauxhall dealers are given carte blanche to criticise the design, finish or reliability of the product. The audience consists of 35 or 40 Vauxhall staff from the managing director to the area manager on the shop floor: they all listen patiently while the man responsible for explaining problems to the customer gets his own back at them.

The problems range as Price says "from heavy items such as why we still have drive-line

self-adhesive clips, which pull out through the carpet." Mr. Price himself spotted a problem of "third gear hop-out" on the Chevette, through his own driving of the car—a break with the tradition in some motor companies where the boss would only drive the most prestigious model.

The Chevette, of course, is the first Vauxhall model to draw heavily on the design expertise of its sister company Opel, since it shares many components with the small Opel Kadett. This has produced some problems as Price explains. "We got the Opel whine on the rear axles in the first 3,000 cars which we built with bought-in axles." But it has meant that Vauxhall could draw on proven components, with known faults, giving it a head start in producing a reliable, durable car.

The Chevette looks as though it will prove to be a new type of Vauxhall. Certainly the combination of a large understressed engine, with well-proven body components was one that gave Volkswagen its enviable reputation for reliability. Price, himself, claims that Vauxhall is now producing a car with as good a finish and fit as any British motor company, though his target is the Continental level.

Vauxhall has clearly made considerable strides in its quality control, particularly in its paintwork and rustproofing which was once lamentably poor. But it takes many years to communicate such changes to the buying public, particularly abroad, whose memories are long. Bob Price directly reflects any idea of changing the name of Vauxhall, to side-slip the image—an idea which was at one time fashionable at GM Overseas headquarters in New York. He says unequivocally "the name doesn't mean a thing—the product has got to be right."

Vauxhall clearly has a long road to follow before its name becomes synonymous with product quality again—ironically before GM bought it in the Thirties, the company only built exclusive, powerful cars. But Price has deliberately launched the Chevette as an expensive car, with a high level of trim and finish to match the Japanese and the Germans. The model is available only in a high specification, high price version though as Price explains "later, if we do get the image, we could back off and compete with a standard model."

Design

Some of the more serious problems, such as the fit of body panels—a critical item in the German and Swiss markets though sometimes overlooked in Britain—may be caused by the basic design of the car. As Price relates, one assembly job on a Vauxhall "requires five guys holding a piece while it's put together under pressure."

Designing the production and which the service managers of Vauxhall dealers are given carte blanche to criticise the design, finish or reliability of the product. The audience consists of 35 or 40 Vauxhall staff from the managing director to the area manager on the shop floor: they all listen patiently while the man responsible for explaining problems to the customer gets his own back at them.

Free enterprise in peril

By MAURICE IRVINE in Los Angeles

TWO HUNDRED BANKERS rose to applaud, in the Century Plaza Hotel, Los Angeles' latest and plushiest convention mecca, when the chairman of Pacific Telephone and Telegraph Company declared that the American free enterprise system is today in mortal peril because of a "stupid and naive" public has lost faith in business and industry.

Mr. Jerome Hull, in words which are now being discussed in boardrooms and meetings across the State, complained that his business colleagues had allowed the country to forget the great economic and social advances they had pioneered. Instead of taking pride in its accomplishments, business was accepting the role of "a sort of ruling class" on which most of society's ills and frustrations could be blamed.

Businessmen were unjustly painted as "greedy profiteers" by politicians, TV and the Press, who were all contributing to a general distrust, said Mr. Hull, as he urged his audience to get to work on educators and become involved in politics at all levels to spread the gospel of righteousness.

Strong words for these apologetic days, but Mr. Hull had reason to complain that "big business" ethics are under fire as never before, and from those same "effete snobs" whom Spino Agnew used to castigate.

Typically, one recent survey by Opinion Research Corporation shows that an all-time record of 67 per cent. of the population now takes an unfavourable view of the larger corporations (this 20 per cent. more than ten years ago). Another poll, federally funded, indicates that 57 per cent. of the public want government to step in with more controls. A third poll, by Gallup, finds that college students almost universally see major companies as "greedy," "irresponsible," and in dire need of closer regulation.

This climate of suspicion has already activated political support for stronger federal watchdog agencies to protect the consumer from business avarice. Congress is urging the banks to disclose the purposes for which they lend their money. The Securities and Exchange Commission is demanding more and more data on corporate affairs. And now businessmen are trying to fight



Mr. Ralph Nader and Senator Barry Goldwater

off a drive to put "public members" on company Boards—and plunge us all, an indignant director told me, "into the same Socialist quagmire you have in Britain."

Watergating in the business world, exposures of fraud, and deceptive advertisements, crooked contracting, recently there has been the flood of "slush fund" revelations—Northrop, Gulf, United Brands, and so on—to add to the picture of business "corruption." In the polls, a favourite question is: How much do average corporate profits take out of each sales dollar? Mr. Average America thinks its 28 cents, college students guessed nearer 50 cents. The real figure given is 5 cents.

Thus several big companies have embarked on enlightenment campaigns. Mobil, Exxon and others are spending millions on massive propaganda to win public support and defeat their critics. A committee of top-flight executives, including New York stock exchange chairman James Needham, RCA Corp's Robert Sarnoff, and with Thomas O'Hara, chairman of the National Association of Investment Clubs, as guiding spirit, have begun a voluntary drive called "Campaign 1976" to combat misunderstanding of the system. They are turning out millions of pamphlets, each dealing with an aspect of business, for the benefit of shareholders, customers, employees, and the misinformed at large.

How "stupid and naive" are

hard at work. Ralph Nader is currently saying that "recent disclosures indicate that, if anything, we have been grossly underestimating the prevalence of corporate crime in our society." He observes that when businessmen plead, "we just did what everyone else is doing," they actually encourage public cynicism.

People, Naderites charge, are swamped with evidence of deception and faulty products. Tens of thousands of Californians have recently received official forms inviting them to apply for refunds of hundreds of dollars each from drug and food manufacturers who overcharged them over several years in a price-fixing. Exposed in the courts, the companies must return the money. The resounding crash of C. Arnholt Smith's First National Bank in San Diego, the Equity Funding scandal, and a score of other examples of "imaginative accounting," falsified company reports, and so forth, give further ammunition to the critics.

W. Michael Blumenthal, president of the Bendix conglomerate, urges businessmen to set their own houses in order by creating an association along the lines of the AMA, or the American Society of Architects, dedicated to refining and maintaining ethical standards. "Such a group," he says, "would not defend business, right or wrong; rather it would focus on devising new codes to which all would be expected to subscribe."

When every suggestion of corporate wrongdoing, every proposal for change, is treated as an attack on the whole free enterprise system, confusion results. An entirely new, frankly moral, approach is needed—beginning with business taking a long, hard look at itself.

The most stalwart friends of the business world in politics are joining the chorus. Warning of "painful changes ahead," Senator Barry Goldwater, prophet of the Right, says that businessmen have "the fight of their life" on their hands as a youthful, "idealistic," Democrat-dominated Congress takes America down the road to regulation, more taxes, greater controls, and—dread word—nationalisation. "We can save free enterprise," he says, "but the hour is late, and growing later every minute."

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Our aim is to avoid emergencies

SAYS ROBERT ALLEN, DIRECTOR OF CUSTOMER ENGINEERING, SPERRY UNIVAC UK

All machinery needs constant attention, and Robert Allen has just been appointed Director of Customer Engineering for Sperry Univac UK. Freelance journalist Donald Legge spoke to him about his company's commitment in this area.

Legge: Engineering support is one of the unsung areas of computing, so how exactly do you see your role?

Allen: Broadly, our aim is to ensure that every customer should get the maximum use out of his machine. This means carrying out routine maintenance at a time convenient to him, and doing everything we can to avoid emergency situations.

Legge: How is Sperry Univac's engineering division organised to do this?

Allen: It's in two parts really, of which the first is the front line of customer engineers who are constantly in touch with our customers. It is their job to carry out routine maintenance and to build up the basis of trust between ourselves and our users which is of great importance to a jointly successful installation.

Legge: And the second part?

Allen: That's the support function—our back-up if you like. We don't hesitate to bring them in when it is necessary, but I'd rather they were completely invisible, like an expensive insurance policy rather than a committed part of our operation.

Legge: How far does this support function extend?

Allen: As far as necessary in as much as there's no question of us not being able to solve a particular problem. Logistically though, our front line engineers are based at nine branch offices. Behind them we have the National group, with an office each at London and Manchester, and after them comes our European group. This is split fifty-fifty between London and Germany and includes a number of engineers from the US as well as from Europe.

Legge: Supposing all this should be insufficient?

Allen: Then we can call on the worldwide group which is based in the US.

Legge: How quickly can this group be brought into action?

Allen: Within 24 hours of recognising the need for their expertise—or as quickly as we can get them on a plane, which would normally be within that time limit.

Legge: Is all this service covered by the normal maintenance contract?

Allen: Oh yes, and we haven't had one that's beaten us yet. There's



never been any question of us not being willing to effect any repairs, regardless of cost.

Legge: Most data processing managers would agree that customer engineers are a particularly important link between their companies and their supplier. What special training does Sperry Univac provide?

Allen: The training really starts with the selection process. Engineers have to be carefully chosen because they're the people who will be meeting the customer under what are potentially the worst possible conditions. They'd be no good if they couldn't work calmly under pressure.

Legge: And after selection?

Allen: In their first phase with us they receive about 26 weeks of formal training, interspersed with work on site with more senior engineers. After that they receive an average of about four weeks further training each year to introduce them to new equipment and so on. And we have refresher courses.

Legge: That's a considerable investment for Sperry Univac.

Allen: It needs to be. Our products are our shop window, and it's in the best interests of both our customers and ourselves to keep them in tip-top condition. That's our engineers' job, and a badly trained engineer is worse than none at all.

Legge: Bigger systems presumably have bigger problems—does this mean they get special treatment?

Allen: Firstly it's not true that size is any indication of the type of problem that will arise. Secondly, the size of system is virtually immaterial as to its importance to a customer—and that is our incentive. We don't differentiate at all because we want to give each user the maximum usage and the hours that a machine is in commission has no relation to its size.

Legge: Why is maintenance necessary at all on such an expensive machine?

Allen: Why is it essential on a car? We could build a machine that was to all intents and purposes perfect,

but nobody would be able to afford it. Again, our engineering resources are not only employed correcting poor system performance. At least 90 per cent of their time is used in purely preventative work. We have a common aim with our customers in that we want nothing to go wrong, so if we can catch it before it happens...

Legge: Does the customer have to provide anything for the visiting engineers?

Allen: Only what he needs to do his work, and at a large installation this will probably mean a small room where spares and manuals can be stored, together with a telephone and a desk for the inevitable paper work. The smaller user need only supply storage space and access to a phone and desk.

Legge: Is there anything unique about Sperry Univac's engineering division?

Allen: Well... We like to think we're better than anyone else of course, but that's purely subjective. You see, the point about engineers is that they distrust gimmicks. The more straightforward—conservative if you like—the approach is, then the more reliable it is likely to be. The only engineers you hear about are the ones involved when things go wrong, so what we want to hear is a vast silence!

Legge: What about testing the machine before it is delivered?

Allen: This starts with statistical batch testing of the components before construction. Afterwards the computer is factory tested, and then we run it for a few days on site before handing it over. All these tests are designed first to cope with immediate failures—which are much more numerous—then with long state stability—and then to increased reliability in the field.

Legge: What about your plans for the future?

Allen: Obviously our field staff will continue to grow along with our customer base, and I would like to see these front-liners becoming even more self-sufficient. With this, combined with the ever increasing reliability of our computers, our back-up support will be called on less and less with a consequent growth in customer confidence. If he has that confidence it means we are doing our job properly, and, more importantly, it means he can get on with his.

Further details of Sperry Univac computer systems can be obtained from: The Publicity Department, Sperry Univac, Univac House, 160 Euston Road, London NW1 2DR. Or please telephone: 01-387 0911.

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TUESDAY, JUNE 17, 1975

Credibility at stake

THE GOVERNMENT'S plain economic task now—one which the weakness of the exchange rate has made particularly urgent—is to get inflation under control quickly, not at the leisurely pace which at present seems to be the limit of official hope but at one much closer to that already achieved by our main industrial competitors. This primarily means, in present circumstances, bringing the average level of wage settlements quickly and sharply down from their present level, especially in the public sector.

The Government clearly hopes that it will be possible to achieve something by consent. But the situation with which it is faced at present demonstrates that such hopes deserve only a small weight in its calculations. The original social contract was, as we emphasised at the time, excessively generous in the scope it provided for wage increases. On top of that, as it was not difficult to foresee, the guidelines laid down by the TUC were overlooked or ignored in a sufficient number of cases for the average rise in wages to become considerably faster than the rise in the index of retail prices.

Rail threat

The search is now on, therefore, for a more realistic set of guidelines which will be more widely observed, and Mr. Jack Jones has suggested that there should be a single rate level of wage increase during the next stage of incomes policy. If anyone doubts the difficulties which will be encountered inside the TUC itself in agreeing on any simple, single proposal of this kind, they have only to look at the situation which has arisen on the railways, mainly because of the conflicting interests of the National Union of Railwaymen and the two other unions.

This situation has arisen out of Social Contract Mark I, even before serious discussion of Mark II has got under way. It is not to be resolved simply by allowing the Railways Board scope to negotiate a fraction

more on this or than the Tribunal recommended in its report. The NUR is pressing for an increase in the basic rate which would add very heavily to the cost of the Tribunal's award, not least by provoking consequential claims from the other railway unions. At the same time, also under Social Contract Mark I, the local authority workers are threatening industrial action if their exceedingly large claim is not met.

Public spending

They are also threatening, it is interesting to note, to regard the social contract as defunct if the Government goes ahead with cuts in public expenditure. But substantial cuts in public expenditure will inevitably have to be made, and the Government's readiness to see the social contract repudiated by NALGO can only be strengthened by the reflection that its results have been much less than was originally hoped for. The same point needs to be borne in mind when considering Mark II. The Government's aim—presumably the most it can hope to attain with trade union approval—is as far short of the need as it was before. Moreover, there is no reason to suppose that actual achievement will not, as before, fall well short of the aim. The dispute inside the TUC about wage restraint became still more bitter yesterday, when Mr. Scanlon gave a public airing to his views, and the outlook for a voluntary agreement of real value is not promising.

Slackening demand is already having its effect on wage settlements in the private sector, and the best incomes policy which the Government can adopt at present is to lay down cash ceilings for expenditure in different branches of the public sector which will have a similar effect there. Mr. Hesley has already admitted that the Government would destroy its credibility if it allowed railwaymen to settle far above the arbitration figure. The exchange markets will take this declaration seriously.

Japan in a world of recession

THE UPSWING in the world's major economies is proving much more elusive than was being predicted even a few weeks ago. Recent economic indicators in the U.S., West Germany and Japan have all produced a flicker of optimism only to be belied by others proving that the recession continues. Equally, successive reflationary packages have so far failed to have the desired effect. The latest example is Japan where the Government set of economic measures since February and where one of the leading banks is now predicting another year of zero growth—against a Government forecast of over 4 per cent.

Import fall

The new Japanese package is designed to release the equivalent of about 1 per cent of GNP mainly to stimulate the housing programme and is accompanied by a call for lower interest rates. This is a sizeable sum by any standards, but it has already been criticised as inadequate by the Minister for International Trade and Industry, Mr. Komoto. The criticism itself is indicative of internal self-doubts as the conventional measures fail to produce the expected results.

Even more striking are the May trade figures which were also announced yesterday. These show that exports were down 5 per cent in value terms and down 5 per cent in May last year, the figures suggest that the turn round is due largely to import shrinkage caused by the domestic recession. Exports, meanwhile, continue to be hampered by the recession in the other major economies—

William Dullforce examines one government's intervention in the crisis-hit world tanker market

An uncharted change of course for Norway's merchant fleet

Mr. Hilmar Reksten, the 77-year-old Norwegian shipping millionaire, whose financial troubles are having such wide repercussions in banking and shipbuilding these days, is a great admirer of the British. "I wanted to be so strong that I meant something in the world, most of all perhaps in Britain," he said last week, when breaking his habitual seclusion, he explained in interviews with Norwegian television and the Oslo daily, *Aften-Posten*, the motives which had led him to build up his tanker and financial empire.

Asked by an interviewer which he admired most of the many nations his world-wide operations had brought him into contact with, Mr. Reksten singled out Britain. The 4m. Norwegians have a merchant fleet of 44m. d.w. tons, the fourth largest in the world. For decades it has been the country's main currency earner. The shipowners have also epitomised the spirit of private enterprise—sturdy, independent, self-sufficient risk-takers operating on an international scale.

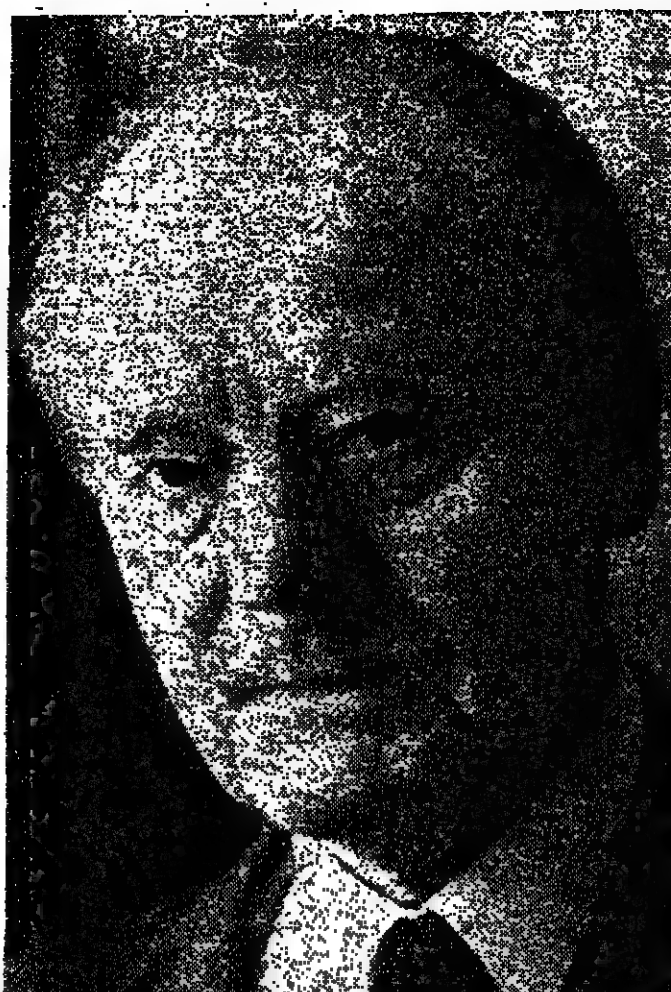
Tankers account for over half the Norwegian merchant fleet at some 23m. d.w. tons, which is also a sizeable chunk of the world total of roughly 250m. tons. At present 97 ships, totalling 10.5m. d.w. tons or 24 per cent of the total Norwegian fleet, are laid up. These include 77 tankers, which in tonnage make up nearly 36 per cent of the tanker fleet. The Reksten tankers, some 3m. d.w. tons, are all idle.

The laid-up vessels have no income (except for a few laid up at the charterer's request). They cost their owners maintenance expenses, wages for depleted crews, and loan and interest payments which vary greatly from ship to ship. Their current market value is far below their original cost and offers little security for raising new loans.

The Norwegian shipowners' association estimates that its members have cancelled—or are in the process of negotiating the cancellation of—orders for the building of new tankers totalling 9m. d.w. tons which were due for delivery in 1977 and 1978. At a rough estimate, these orders are worth something over £700m. At the end of 1973 Norwegian shipping companies had a total foreign debt of around Kr.22bn. (£1.9bn.) and assets of approximately Kr.11bn. (£950m.) available in banks and advance payments.

The impact of the crisis is by no means uniform. Worst hit are the tanker owners like Mr. Reksten, who operated on short-time charters, creaming off the high rates obtainable at the top of the market, when demand for tankers was high, as it was in the middle of 1973. The companies operating mixed fleets of tankers, liners and specialised product carriers are still earning reasonable profits, despite the rise in costs and the easing of dry-cargo freight rates. The Shipowners' Association calculates that 80 per cent of the tanker fleet will be chartered for at least one year ahead on July 1 and that 50 per cent will still be on charter a year later, on July 1, 1976. This may suggest that the tanker depression has hit the bottom, but, unfortunately, the figures do not take into account that part of the 5.4m. d.w. tons of tankers due to be delivered to Norwegian owners this year which will have to go straight to the lay-up buoys. A further 5.1m. tons is due for delivery next year.

To cope with this situation, the Shipowners' Association asked the Government to change its rules and to allow the Norwegian ship mortgage institutions to advance loans on vessels being built in foreign yards for Norwegian owners. The call for Government help hurt the shipowners' pride and led to a heated argument last week at the Association's full Board meeting, when suggestions for moth-balling tankers at common expense were made. The Government has acted reluctantly,



Mr. Hilmar Reksten the Norwegian shipping millionaire whose shareholdings in companies other than his own are to be bought up by the Government in a bid to ease the crisis. The table shows the sharp reversal in the fortunes of Norway's merchant fleet.

NORWAY'S MERCHANT FLEET: THE PROFIT AND LOSS ACCOUNT (m.Kr.)

	1974	1975
Gross Freight Income	20,450	18,435
Foreign Currency Expenses	-2,008	-2,008
Net Currency Income	11,445	9,998
Expenses in Kroner	-7,382	-7,750
Shipping Earnings	4,263	1,250
Difference Between Export and Import of Ships	-426	-3,075
Merchant Fleet Surplus/Deficit	+3,457	-1,525

* Financial Ministry Forecasts

even if with some *schadenfreude*, but last week it appointed a committee to advise on ways of preventing Norwegian ships being sold at knock-down prices to foreign owners. And it is expected to meet the shipowners' request for credit backing.

The Government has, admittedly, so far dealt only with Aker's short-term problems. It has not seriously considered what it will do if the group fails to get new orders for other ships or platforms to keep its yards busy after the first few months of next year, when current orders start running out. If the Government has to put up cash instead of the credit guarantees it has so far given there will be pressure from its left-wing for it to take an equity holding, with approval from the non-socialist Opposition if it bows to this pressure.

The relationship with shipping is more clear cut: the Government wants to limit its involvement while the shipowners want to maintain the independence to operate on an international scale. But North Sea oil is replacing shipping as the country's main foreign

exchange earner and the shipowners are no longer so essential to the well-being of the Norwegian economy. The exact contribution of the merchant fleet to the economy has long been the subject of political dispute and figures are difficult to get, but extraneous from the revised Government Budget give the 1974 figures and the Finance Ministry's 1975 forecasts shown in the table.

The Kr.1.83bn. "deficit" in 1975 is due mainly to the Kr.3bn. net loss in ship purchases and sales, which is essentially a cash flow deficit and underlines Norwegian shipping's current problem. But the figures are subject to many reservations. The foreign spending of Norwegian seamen and the bank deposits held abroad by shipping companies are complicating factors. Above all, to assess the contribution of Norwegian shipping to the economy one would have to quantify its dynamism, its international contacts, particularly in the banking world (some 80 per cent of its operations are financed with foreign banks such as Hambros), and the stimulus these contacts have provided for Norwegian business.

Twenty years ago the current difficulties of Norwegian shipping would have seemed catastrophic for the Norwegian economy. This year the Government can plan to run a Kr.103 bn. (£910m.) deficit on the current account (at 7 per cent of GNP, in the same range as the British deficit) and to meet it by borrowing Kr.4bn. abroad and guaranteeing company and institutional borrowing up to another Kr.1bn. So high is Norway's credit rating, based on the expected oil revenue, that bankers have been streaming to Oslo with loan offers.

In Oslo shipping circles the prevailing mood is gloomy but many believe the crisis could be weathered. If the world economy moves into a recovery phase this autumn, with a little Government aid will the immediate liquidity problems of most companies be covered. Nevertheless, Norwegian shipping will probably never be quite the same again. Mr. Reksten has already intimated that the days in which a shipowner would stake the enormous capital of a tanker fleet on the spot market are over. Some restructuring, especially among the smaller owners, would seem to be inevitable. And almost certainly there will be more joint management operations. But, if the crisis is prolonged, not only will there be some failures among shipowners but the Norwegian Government will find itself more deeply involved than it will like and be confronted with a tangled political dilemma.

Streaming to Oslo

No longer so essential

Maintaining employment

Explaining their decision to buy Reksten Company shares, Labour ministers emphasised that they were not interested in rescuing Mr. Reksten or any other shipowner. The Reksten deal was aimed at maintaining employment in the Aker shipbuilding yards, which have suffered 11 cancellations over

MEN AND MATTERS

Another possible for the Spectator

"We like the thought of selling it," says Harry Creighton, but he wishes that one out of the apparent procession of possible buyers of his radical Tory magazine the *Spectator* would put their intention in writing. The enterprise is hardly one for the wholly investment-minded, the magazine having failed to turn in a profit for some 40 years, according to Creighton, who says the current situation is "as bad as ever."

At least a dozen people appear to have talked over the idea of relieving Creighton of his eight-year-old burden for which he paid Conservative MP Ian Gilmour £74,000 eight years ago. Names mentioned over the past couple of years include Sir William Barnetson, chairman of United Newspapers which now distributes the magazine, and Jim Slater, the City financier.

Now a new one: Henry Keswick, 37, of the Jardine Matheson trading group, who after five years as managing director of the master company in Hong Kong followed an established Jardine career pattern by returning to run the London end. A quieter job, presumably, leaving time to develop the sort of political interest that could suit the *Spectator*.

So far, Creighton claims that Keswick has "expressed an interest" but no offer has been made. If one should, Creighton is unsure yet whether he would stay involved (he also runs a Halifax-based engineering business). Some consolation for Creighton was the sale last month of the magazine's London office in Gower Street to an insurance company for around £160,000.



Top public jobs build up

The list of heavyweight public sector management jobs which need to be filled in the near future grows no shorter. The Government's plans for the airframe makers, the ports and the North Sea all require at least one big appointment—the British National Oil Corporation will need two. Then there is the chairmanship of British Leyland, which at the time of the Ryder Report publication looked likely to be filled within a few weeks.

But, with the letter to British Leyland shareholders going out this week over Lord Stokes's name, it seems inevitable that he will also be the man in charge at the vital shareholders' meeting on July 14. After that, who knows? For Stokes is still heard to say that he has not decided yet whether to take the offered post of president, while another school of thought sug-

gests that, with Alex Park's tie-fied with his remit, involving full powers and close reporting at the moment to the newly ennobled Sir Don Ryder, there is no great rush to move Stokes from the chairmanship anyway. The loyalty which Ryder has lately displayed when British Leyland management is being criticised adds to this impression.

Some old and predictable names have been mentioned for British Leyland, the less obvious ones being Sir John Elstob, chairman of Imperial Metal Industries, and Harry Urwin, assistant general secretary of the transport workers' union. Perhaps, at the last, there will be some genuine surprises.

Riklis's Scotch sale

The intended disposal of Long John International is a small local pointer to the problems of the flamboyant Meshulam Riklis, 51, chairman of the Rapid-American Corporation which controls the Scotch distiller through its Scheenley Industries offshoot.

Rapid runs a \$3bn. conglomerate of companies which until recently included Playtex. Riklis himself was born in Turkey, brought up in Israel, and went to the U.S. in 1947. He created Rapid from a printing concern in which he put \$25,000 some 20 years ago.

Riklis is also chairman of the McCrory Corporation, 63 per cent owned by Rapid and mostly in clothing manufacture and stores. Outside the public businesses, he has personal stakes in a spread of firms from real estate to a Boston-based travel company. This last is not conspicuously profitable, but Riklis hoped to turn it round with the injection of a money-spinning asset in the shape of a Las Vegas hotel and casino, the Riviera.

He owns some 25 per cent of Rapid-American. Last year he had added some 300,000 shares bought from the General Host conglomerate in exchange for a 27 per cent stake. He had begun to build up that shareholding at a time when Tom Whittle's Triumph Investment Trust was attempting (eventually fruitlessly) to bid for GH. Whatever Wall Street's gloomy view of Rapid (shares currently 88 against a \$52½ peak), Riklis's earnings there, at \$612,000, has made him among America's 15 highest paid executives.

Saved

Would it improve efficiency—it would certainly be more fun—if companies were under about each other in public? Marconi Communications Systems, part of GEC, has been put on the spot because three 10,000 gallon oil storage tanks, a tiny part of a \$4m. order Marconi won from Libya, aren't ready.

They were ordered last December, from what is called a national name tank maker, to be shipped from Felixstowe on June 21. On June 10 the manufacturer said it could not meet the delivery date. Marconi, angry though it is, won't name names, although it is pleased to talk about a less than national name, Cookson and Zinn of Hadleigh, Suffolk, which has promised that the original seven month order will now be completed in nine days.

Hard sell

There is no subtle sales talk about bouquet, body, character or vintage from the wine growers co-operative in the Béziers district of Languedoc Roussillon. Their slogan is simple and to the point: "Leau est pollué—buvez du vin."

Observer

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SOCIETY TO-DAY: PENAL REFORM

BY JOE ROGALY

Prisoners of indecision

LIKE JUST about everything else in Britain to-day, our prisons are hopelessly over-manned. Only last week Dr. Shirley Summerskill, Parliamentary Under-Secretary of State at the Home Office, announced that the total prison population in England and Wales is very close to its previous peak of 40,470. It is expected to pass this peak and establish a new record during the busy summer months.

Some custodial institutions are more overcrowded than others. Junior detention centres are so full that some young transgressors are sent to prison cells, or back into the streets, because there is no room for them. Dr. Summerskill has appealed to magistrates to ring up and ask if there is a vacancy before ordering a young boy—crime is still essentially a male pursuit—to spend time in a detention centre.

Wormwood Scrubs is so unpleasant that it must be regarded as a standing indictment of the "civilised society" that the Home Secretary, Mr. Roy Jenkins, is so anxious to create. I do not assert this as a so-called defender of prisoners (for in certain cases I would like to see the keys thrown away), but simply on the ground that in the Scrubs all offenders, from the youngest to the oldest, from the boy who might have "borrowed" a car once too often to the incorrigible and violent professional criminal, although separated: there is no apparent logic or even justice to the penal system that so confines them in what are undeniably harsh conditions.

In one cell in "B" wing, last week, for example, two youths

serving 18 months and one serving half that lay on their bunks. We measured the cell roughly, counting floor-tiles: it seemed to be about 14 feet by 8 feet. There is just room enough for the three bunks (one upper, two at ground level) and the washstand and toilet bucket near the door. It was stifling, in the heat wave. The radio was playing; the youths were reading. They can be kept locked in there for as much as 20 hours out of the 24, eating in the cell.

Workshop

"It's the overcrowding," I was told. "A year or two ago we unlocked the cell in the morning and they wandered around until we let them in at night." On the day of my visit there were 141 young prisoners (all under 21) in part of "B" wing purpose-built for 72. There are about 40 jobs available for the inmates in a prison workshop, which means that 100 of them languish in their cells. There are 438 young men in the whole of "B" wing. Many of them are simply awaiting sentence. Others have been allocated to Borstals or prisons, but must wait for vacancies in the institutions to which they have been designated.

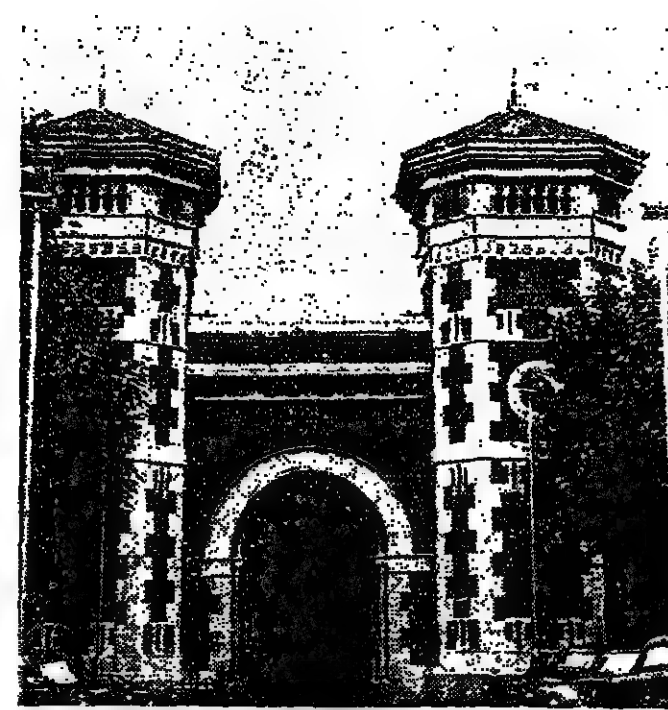
In "C" wing at Wormwood Scrubs, where there are 300 cells and 600 prisoners, there should be 350 jobs to keep at least some of the men from full days and nights in their cells. With staff shortages, the number who actually go to work (painting faces on Mickey Mouse toys, perhaps) is down to less than 200. So 400 languish with just two or three hours out of their cell on some days.

These are convicted men waiting for a place in one of the "training" prisons. The wait can be so long—six months or a year or more—that some men serve their whole sentence in the Scrubs, where conditions are not remotely related to even conservative notions of modern penal practice.

The picture is as bad in "A" wing, where newly-convicted adults are classified and allocated, ostensibly on the basis of a judicious assessment of the man, the medical officer's report, the home circumstances, and his aptitude for work—but in practice also on the basis of the allocating officer's shrewd sense of which type of prisoner, and which prison has vacancies. The intention is benevolent: the outcome, in a time of severe pressure on accommodation, is not only arbitrary but quite possibly unjust, since a man can serve a considerable length of time in three-to-a-cell quasi-punishment conditions even though his offence may not be anything like the type for which society might wish such an unpleasant fate upon him.

Makeshift

Far better, in the Scrubs, to be a long-term prisoner. In D wing, where these men are kept in conditions like those of "training" prisons elsewhere, everyone has a job: there are showers, and meals out in a makeshift "dining room." Every man has his own cell with a good chance of being out of it most of the day. They say in the prison service that every cell is unique: the Scrubs is jail is unique: the Scrubs is



Wormwood Scrubs: four different stories about some of the worst aspects of prisons to-day.

worth some contemplation because its four wings are so different from one another and tell four different stories about some of the worst aspects of prisons to-day.

Down at Kingston Prison, Portsmouth, the men are so much better off that one hesitates to describe it for fear of arousing the wrath of those who insist that "we must not mollify our criminals." The 80 inmates of Kingston are all "domestic livers"—which means that most of them killed or attempted to kill relatives, or close friends, or an acquaintance, in a brawl. Some are

each channel, an education section in which there are well-equipped workshops for pottery, woodwork, automobile engineering, and pretty much whatever else takes the fancy, a shop, a small kitchen in which they can cook their own concoctions, showers, irons, washing machines—the lot.

In the garden one prisoner was continuing what seemed to be a vocation for landscaping—putting his own ideas into practice. In one cell another man showed his intricate models of farm carts of different types; he also produces excellent silk screens. Another prisoner was making maps for use in a polytechnic. The men have built a three-storey factory block; two stories are still empty but one is in use in a fairly highly skilled technological job (making battery chargers, and bits for computers) but there is not much outside work about. The intention is for the prisoners to start designing their own products—and I saw several interesting models (including a battery-sized mains adaptor for transistor radios) on test.

After three-quarters of a century of pressure for penal reform we seem to have reached the stage at which no one has any clear idea of the purpose of the penal system. Do we want to punish people, or rehabilitate them, or simply keep them where they can do no further harm? I suspect that the broad consensus answer would be "it depends on the prisoner and the crime"—and it would certainly be tidier if it could be demonstrated that the vilest criminals were made to suffer the most, while the inhabitants of, say, Pentonville (most of whom in

"D" wing in Wormwood Scrubs: all three of my lunchtime companions were unanimous in their complaints about the in- ing, and pretty much whatever else takes the fancy, a shop, a small kitchen in which they can cook their own concoctions, showers, irons, washing machines—the lot.

This brief excursion into some of the best and some of the worst cells in British prisons should be sufficient to show what a muddle we are in. In a hard speech on June 4 Lord Justice Lawton said, "I am convinced that crime will continue to increase as long as the public are bamboozled into thinking that a prime cause of it is bad social conditions and not wickedness." There should be more of the stick and less of the carrot, he explained. But what good does it do punishing the men in Kingston? Their numbers will grow year by year, because there is a steady number of "domestic" crimes, apparently unrelated to punishment. Many inside the prison service believe that most of these men could safely be released—and from the men's point of view (supported by some officers) there is no apparent consistency in the criteria for sentencing or parole.

Those who plan our prison-building programmes have usually failed to forecast the future growth in numbers of crimes or prisoners (now running at about the rate of inflation generally). They could hardly be expected to get criticisms of prisons right. They will continue to fail until someone (a reforming Home Secretary like Mr. Jenkins?) stimulates a public debate that would be designed to clear our minds—and thus the minds of the judges—about whom we want to imprison, for how long, in what conditions, and at what cost.

Killers

The truth is that there is no such logic. Some young offenders are created by social conditions, whatever Justice Lawton may say—although it may be that the conditions that might improve the situation would not be to the taste of left-inclined sociologists. One hardly dares suggest a touch more emphasis on morality in teaching practice—but there, I have done it. Some persistent criminals certainly do seem to be innately wicked—but are these the ones who are kept for the longest periods in the most secure prisons? When it comes to full-time thugs and killers I am on the side of those who would keep them incarcerated even at the risk of damage to their personalities—but in some cases of theft or fraud or homosexual offences the effective punishment (in a prison like Wormwood Scrubs) seems out of proportion to the crime.

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Letters to the Editor

NUR not greedy for new money

From The General Secretary, The National Union of Railmen.

Sir—The social contract, battered though it may be, is not simply an attempt at an understanding between the TUC and the Labour Government. It was also, or should have been, a tacit agreement between unions and groups that advantages would not be demanded and that reasonable and fair treatment be accorded to everybody—including the retired. We supported the idea because we felt that the election of the Labour Government was a desirable end to the trade unions' campaign to try to ensure some kind of social justice, a common sense. It was plain that economic difficulties would put any such understanding under great strain. We realised that we should stand ourselves in greater need for plausible argument as the threatening economic and financial crisis deepened.

It was against this background that we stated time after time, to the employers and to the Tribunal, that we were not seeking advantage, or improvement over others. Indeed, we actually accepted a situation where our members were paid less than others, not doing any specially onerous or important work. What we modestly insisted on was that they should not fall back. Simply and starkly stated, if we accepted the Tribunal's award we would be falling back substantially.

May I draw attention to the fact that whereas the railman's new money element of the proposed increase would be only £2.85 a week, the NCB surface worker has already had £4.90 more, the postman £6.30 more, the labourer in electricity supply, £6.30 more, the London dockers £6.30 more, the electrical power engineer, £7.78 more, the house doctor, £8.21 more and the police constable £10.31 more.

I cannot think that people in general will believe that we are being greedy or making excessive demands if they read these comparisons.

S. Weighell, Unity House, Euxton Road, NW1 3BL.

Underground output

From The Director of Public Relations, National Coal Board.

Sir—James Ensor, in his article, "Britain's overmanned State Industries" (June 10) draws some dogmatic conclusions from what he admits are crude statistics. The statistics quoted for coal are certainly misleading, giving readers the impression that the productivity of British coal-mining is less than a third of the German level, and substantially below the French level. This is not a true reflection of the position for a number of reasons, of which three examples are sufficient to make my point.

Taking 1973 (the year selected by Mr. Ensor), the output per man-shift of underground workers was—

Germany	4,321
United Kingdom	3,583
France	2,767
Belgium	2,555

The majority of British coal production is concentrated in the high-productivity Midlands and Yorkshire coalfields, and the proportion will increase further over the years ahead. In these two coalfields, the underground output per man-shift in 1973 was 4,306 kg—slightly higher than the German average.

Turnover figures quoted for

the U.K. coal industry relate to the 1972-73 financial year, in which the average cost per tonne of coal was £7.50. For the same period, the average cost of French coal was £10.80 per tonne.

Further points could also be made, but the above are sufficient to illustrate the need to refrain from making international performance comparisons purely on the basis of a single financial indicator.

While we are prepared to acknowledge that all countries have hidden talents, we are mystified to read of a Luxembourg mining industry employing 23,900 people. No trace of any Luxembourg coal mining can be found in the statistical publications of the EEC. In fact, the firm Eschweiler Bergwerks-Verein is a German mining enterprise with production in the Ruhr and Aachen coalfields, though it was described in Mr. Ensor's league table as a Luxembourg company. Geoffrey Kirk, Hobart House, Grosvenor Place, S.W.1.

Electricity efficiency

From The Chairman, South of Scotland Electricity Board.

Sir—James Ensor's article of June 10 draws important conclusions from a league listing output per employee in a number of companies and undertakings in EEC countries. His arithmetic produces a figure for SSEB (the South of Scotland Electricity Board) of £12.174 in 1973 and compares this with, among others, the German utilities VEW (£40.587) and RWE (£22.381).

I am afraid Mr. Ensor has oversimplified the issue that his results have little meaning. The fact that there is a difference of more than a factor of two between the two German utilities RWE and VEW, might have alerted him to the possibility that he was willing to assume that the lower figure for SSEB was attributable to inefficiency. May I draw attention to just two important differences between the German utilities and ourselves which have an important effect on staffing?

Whereas SSEB generates virtually all its requirements and distributes and sells electricity direct to all consumers in its area, the German utilities do not. VEW supplies large quantities of electricity to bulk supply points for distribution by other undertakings. Furthermore, VEW buys substantial quantities of electricity from industrial power stations which it does not own or operate. Both of these differences directly reduce man-power requirements in relation to turnover. Rather similar considerations apply to RWE but to a different degree.

Generation arrangements between the two Scottish electricity Boards provide for the location and operation of generating plant in the most economic manner overall. This at present results in a substantial export of electricity from SSEB to the North of Scotland Board but because of the financial arrangements between the Boards the income from the export appears in SSEB accounts as a reduction in costs and not as an increase in turnover.

We have ourselves made various attempts over the years to establish yardsticks by which to compare our efficiency with that of other electricity undertakings but have found that differences such as those mentioned above make for a good deal of uncertainty in our results. However, our general conclusions are that we are competitive. By way of example for

the purpose of broad illustration, our turnover per capita would be over £30,000 were we to sell electricity in bulk instead of to individual small consumers.

P. Tombs, Inverleith Avenue, Glasgow.

Education and industry

From Professor D. Bell.

Sir—I am glad Mr. Parkes mentioned that universities should be two paces ahead of industry (June 12). It is vital that Universities should pursue advanced research (and assume this is what they want) because no-one else can take a sufficiently detached viewpoint to prepare for the needs of industry in the relatively distant future. The minority of graduates who continue with postgraduate work are involved in this and I think their prospects of subsequently fitting into industry depend a good deal on their temperament and adaptability. Certainly Ph.D.'s from my department are receiving attractive offers from industry.

But the majority, who leave with an honours B.Sc., should be as near industry as possible in practice and half a pace forward in theory. They should be a little ahead in theory, firstly because their education has to provide the basis for a career of some 40 years and secondly because they should be an innovative force in industry. It is difficult to bring them close to industry in practice, but project schemes, which most University technological departments include in the final year of the B.Sc. curriculum, do help with this.

So whatever other institutions may do, Universities are endeavouring to meet both needs of industry for professional personnel—for present activities and for future development—through the different levels of work they undertake.

D. A. Bell, University of Hull, Department of Electronic Engineering, Hull.

Secrecy and steel plans

From Dr. G. Hallett.

Sir—The chief executive of Clywd County Council says in June 12 that it would be far more economic to develop Shotton steelworks than to concentrate production at Teesside and elsewhere. British Steel Corporation has said that Shotton is irretrievably uneconomic. Who is one to believe?

My basic inclination is to believe BSC, which has no local political axe to grind. But there are no hard facts to go on. Would BSC not have strengthened its case, if it had been prepared to publish (in the sense of being prepared to make available to any interested persons) the detailed basis for its 1973 investment strategy? In my experience at least, the Corporation was extremely secretive on sensitive matters. One argument used by some spokesmen was that the results of the computer analysis were so complex that they could not be expressed in terms understandable to the layman. On that, one can say with confidence that the computer is the last refuge of a scoundrel.

The question is at the moment academic for BSC, since, for the immediate future it is committed to heavy labour-saving investment without being able to save the labour which would have justified the investment. But the chairman of other of nationalised industries, who are reported to be worried about political intervention, might well

consider whether, so long as they retain a traditional British secrecy in industrial and governmental affairs, they will not always lose to Ministers who—as we have seen on several recent occasions—are prepared to use their position to propagate the most demonstrable falsehoods. A policy of publishing all background information could give powerful support to the commercial operation of nationalised industries which so many distinguished British managers have tried, and failed, to apply. Graham Hallett, University College, P.O. Box 98, Cardiff.

Why pay a deposit?

From Mr. P. Tarrant-Willis.

Sir—Lord Denning's remarks about estate agents who steal returnable deposits from prospective buyers should be taken seriously by those engaged in the commercial business of house-selling outside those organisations covering the professional surveyor and valuer. It is proper that the buyer requires a completely independent surveyor, as does the mortgage society a completely independent valuer. The business of selling is carried out as a matter of commercial experience and judgment.

What are the commercial arguments for "taking money from the prospective buyer before exchange of contracts when he must irrevocably seal the bargain by paying the seller's solicitor 10 per cent. of the agreed price?" A returnable deposit alone does not prove any serious intent or ability to buy. This depends more on the experience and judgment of the agent. Nor does holding a deposit ("subject to contract") justify in commercial terms removing the seller's house from the open market before it is finally sold. On the other hand holding a deposit does mean that the agent need only deduct his fee as a book-keeping exercise rather than having to involve his customer for services rendered: if you do not pay a deposit to an agent, you remove the risk of roguery without losing any commercial effectiveness. P. Tarrant-Willis, Royal Crescent, W.11.

TUC evidence to Plowden

The Secretary, The Economic Department, Trades Union Congress.

Sir—Your news story (June 16) about the TUC's evidence to the Plowden Committee on electricity supply is printed under the heading "Electricity: unions reject TUC participation plans." The story is concerned in part with the way in which the evidence was drawn up.

Your readers should know that the evidence was drawn up at a meeting of the TUC Fuel and Power Industries Committee which includes representatives of all the unions in electricity supply: the Electrical Power Engineers' Association was present at the meeting in question.

Regarding the composition of the delegation which is to present oral evidence later this week, it was agreed at the same meeting that to avoid duplication, this delegation would comprise individuals other than those who were giving evidence for their own unions. D. E. Lea, Congress House, Great Russell Street, W.C.1.

To-day's Events

National Economic Development Council meets under chairmanship of Prime Minister.

CBI leaders meet Prime Minister for discussion on Industry Bill, 10 Downing Street.

France's President Giscard d'Estaing begins three-day state visit to Poland.

Mrs. Margaret Thatcher, Opposition Leader, inaugurates Commonwealth Press Union conference, London.

Department of Trade inquiry opens into loss of trawler Trident, Aberdeen.

Lord Chalfont gives lecture "Quality of Life: My Hope for the Future," St. Lawrence Jewry next Guildhall, E.C.2, at 1.15 p.m.

First Euro-World Machine Tool Exhibition opens, Paris.

Royal Highland Show opens, Edinburgh.

Amalgamated Union of Engineering Workers' conference continues, Hastings.

Confederation of Health Services Employees' conference opens, Blackpool.

PARLIAMENTARY BUSINESS

House of Commons: Debate on the Army, Public Service Vehicles (Arrest of Offenders).

Quality of Life: My Hope for the Future.

Bill, second reading. Proceedings on Export Guarantees Bill and Nursing Homes Bill.

House of Lords: Hearing Aid Council (Extension) Bill and Fair Employment (Northern Ireland) Bill, committee. New Towns Bill, second reading. Agriculture (Miscellaneous Provisions) (Northern Ireland) Order 1973. Defective Premises (Northern Ireland) Order 1973. Roads (Northern Ireland) Order 1973.

OFFICIAL STATISTICS

Index of industrial production (April).

COMPANY RESULTS

Hargreaves Group (full year). Land Securities Investment Trust (full year).

Westland Aircraft (half-year).

COMPANY MEETINGS

Bodycote International, Manchester, 12.

C.H. Industrials, 48, St. Martin's Lane, W.C.2, 12.

Crystalline, Abercrombie, Rooms, Great Eastern Hotel, E.C.1, 11.

Duncan (Walter) and Goodricke, 27, Minchins Lane, E.C.3, 11.45.

Farman, Hyde Park Hotel, S.W.1, 12.

Wadham Springing, Albany Inn, Weymouth, Dorset, 12.

SCHLESINGER PENSION FUND MANAGEMENT

"Is your pension fund investing overseas at \$1.35 to the £?"

asks Peter Baker

Schlesinger Investment Director

Did you know that at the current level of the \$ premium an investment of £100,000 in IBM, for instance, via the premium represents an investment of only £59,000 in IBM and £41,000 in the premium itself? The \$ premium is not only yielding but in our opinion involves considerable risk at current levels.

Many investors are not aware of these facts which are of vital interest to Pension Fund Trustees and their members.

Schlesinger has for some time been advising its institutional clients to sell shares held via the dollar premium. In our view the overseas part of a portfolio should be financed to the greatest extent permitted via a foreign currency borrowing, substantially avoiding the risk and the volatile nature of the premium and totally avoiding the so-called "25% surrender" rule.

An overseas investment via the premium has to rise by at least 15% to break even to overcome the effect of the "25% surrender" requirement. On June 13 the effective \$ premium was 68% on the spot £/\$ exchange rate of \$2.28 to the £, which represented an exchange rate of \$1.35 to the £—in our view totally unrealistic. The effective dollar premium has fallen from 80% to 68%, since our first advertisement appeared here on May 21—a good example of the volatility and risk of the premium.

What is the alternative? Schlesinger has considerable experience of arranging foreign currency borrowings for institutions, and in the management of loan portfolios in international markets. We have developed techniques which largely overcome the risks sometimes associated with the loan route and will be pleased to elaborate on these in private consultation.

It is a part of the Schlesinger pension fund management service to make the necessary

applications on behalf of clients to the Bank of England in respect of foreign currency borrowings, to negotiate with the lending bankers and to handle the administration, accounting and returns related to the facility.

Schlesinger has particularly favoured the US in recent months. We can point with pride to our experience with the Schlesinger-managed Trident American Growth Fund which has risen by 34% to date in 1973, ahead of the US stockmarket averages. This fund invests substantially via a "back-to-back" dollar loan facility.

The Schlesinger investment team has extensive experience of institutional investment analysis and institutional fund management. Schlesinger already manages £55m of institutional portfolios, pension fund accounts, the PMS unit funds, and private client portfolios.

Apart from the Trident American Growth Fund, the Schlesinger investment team have been responsible for the excellent results achieved by the Trident Managed Portfolio range of insurance bonds. As these are unitised and quoted publicly, the measurement of their investment performance is easily calculated. These funds started in August 1973 and have achieved good relative results against a most difficult market background.

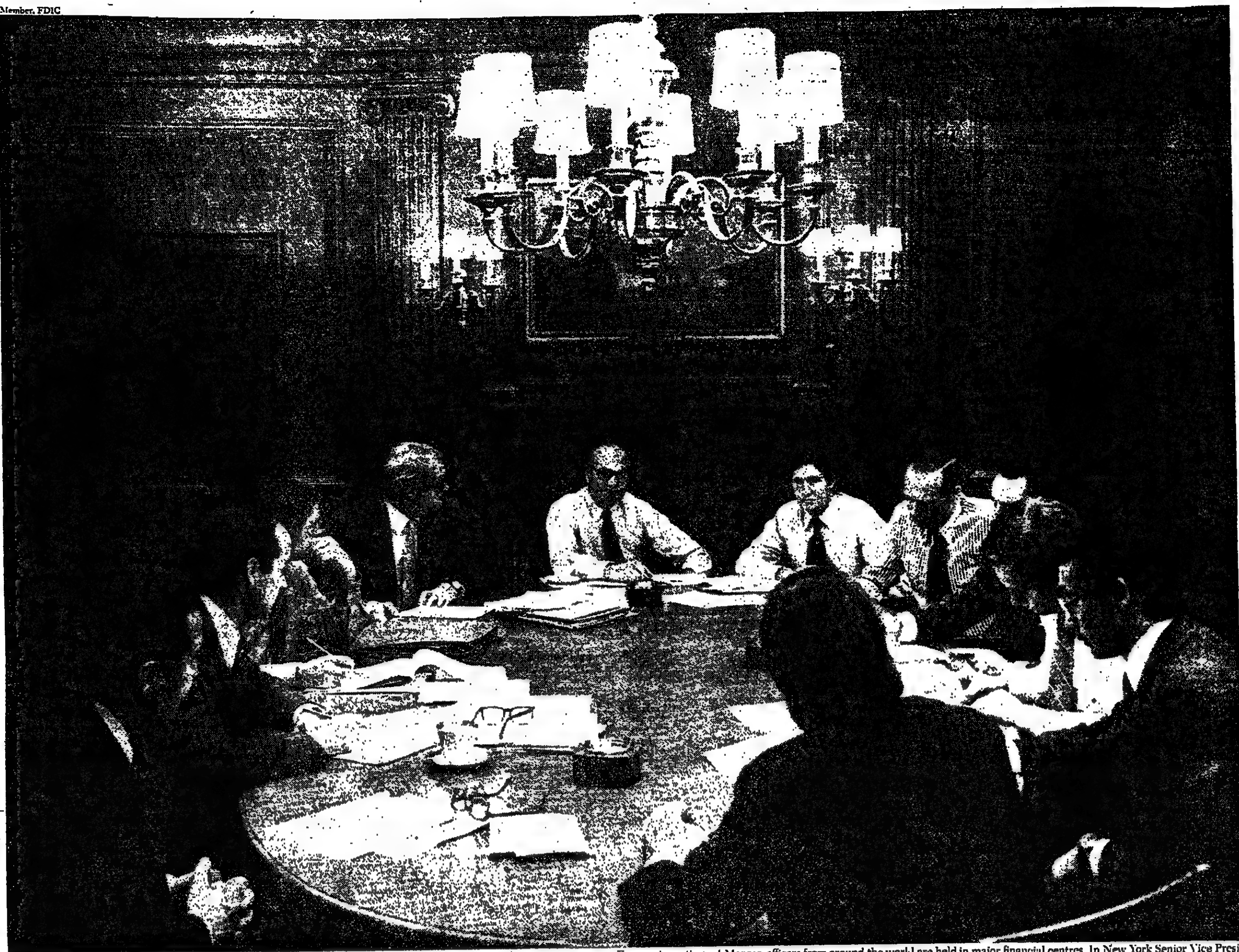
From inception August 1973 to June 12, 1975	
Trident Managed Fund	+12.2%
Trident Guaranteed Managed Fund	+22.8%
Trident High Yield Fund	+19.2%
Financial Times 30 Share Index	- 8.7%
Financial Times Actuaries All Share Index	- 8.1%

All figures include reinvested income

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EQUITIES									
Price	Amount	Latest	High	Low	Stock	Change	Price	Amount	Latest
48	F.P.	11.7	11.7	11.7	11.7	11.7	11.7	11.7	11.7
48	F.P.	11.7	11.7	11.7	11.7	11.7	11.7	11.7	11.7
48	F.P.	11.7	11.7	11.7	11.7	11.7	11.7	11.7	11.7
48	F.P.	11.7	11.7	11.7	11.7	11.7	11.7	11.7	11.7
48	F.P.	11.7	11.7	11.7	11.7	11.7	11.7	11.7	11.7
48	F.P.	11.7	11.7	11.7	11.7	11.7	11.7	11.7	11.7
48	F.P.	11.7	11.7	11.7	11.7	11.7	11.7	11.7	11.7
48	F.P.	11.7	11.7	11.7	11.7	11.7	11.7	11.7	11.7
48	F.P.	11.7	11.7	11.7	11.7	11.7	11.7	11.7	11.7
48	F.P.	11.7	11.7	11.7	11.7	11.7	11.7	11.7	11.7

FIXED INTEREST STOCKS

Price	Amount	Latest	High	Low	Stock	Change	Price	Amount	Latest
2100	F.P.	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
2100	F.P.	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
2100	F.P.	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
2100	F.P.	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
2100	F.P.	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
2100	F.P.	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
2100	F.P.	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
2100	F.P.	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
2100	F.P.	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
2100	F.P.	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0

"RIGHTS" OFFERS

Price	Amount	Latest	High	Low	Stock	Change	Price	Amount	Latest
100	F.P.	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
100	F.P.	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
100	F.P.	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
100	F.P.	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
100	F.P.	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
100	F.P.	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
100	F.P.	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
100	F.P.	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
100	F.P.	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
100	F.P.	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0

WOOLWARDS GIVEN WHISKY FRANCHISE

Whyte and Mackay have appointed Woolwards of Edinburgh and Glasgow to handle their brand of blended Scotch whisky for the U.K. and overseas. Other brands involved are single malts Dalmore, Old Fettercairn and Tomintoul.

SEVERN BRIDGE MODIFICATION

Work on modifying diaphragms in the deck of the Severn Bridge on the M4 will start soon to improve resistance to failure and ensure that the bridge stands up to the heaviest traffic.

MINING NEWS

Anglo American Gold lifts its interim

BY LESLIE PARKER, MINING EDITOR

AS ANTICIPATED in view of the gold-mining dividends which were still reflecting the 1974 bullion price boom, the major Anglo American Corporation group gold share holding company Anglo American Gold Investment lifted its half-year profits with a group surplus of R37.8m, which compares with R33.5m for the same period of 1974 and with R75.2m for the whole of that year.

The interim dividend is raised by 10 cents to 110 cents, a payment which absorbs R24.15m, out of half-year earnings equal to 172 cents a share. The total payment for 1974 was 230 cents (161p). There is the usual caveat about not assuming that first half results are necessarily proportionate to those for the whole year.

In this particular case this is not just a nominal statement. It is likely in view of the strength of the gold price and the continued escalation of mining costs that the hitherto rising income from Anglo's gold-mining investments will indeed slow down in the second half of 1975. There could also be a diminution of the net asset value which was R48.31 (251.71) a share on June 13. In London yesterday Anglo fell £1 to 540p on investment currency premium in front of the results.

Now Bethlehem eyes U.S. coal

THE GREAT North American coal rush is now joined by the Vancouver-based Bethlehem Copper Corp. Its Montreal correspondent reports. This leading Canadian copper producer, which runs the big Highland Valley operation in British Columbia, says that its first priority is the search for new investment opportunities outside Canada in the U.S. "The company is actively pursuing a significant investment in the coal industry."

Because of Canada's Federal Foreign Investment Review legislation and the punitive federal and provincial resource tax policies, Bethlehem professes to invest outside British Columbia. It is interested in the U.S. "because of the ever-growing demand for energy and the U.S. determination to become self-sufficient in energy. These factors present significant opportunities for investment in the U.S. coal industry."

Meanwhile, Bethlehem is maintaining its copper operations in BC and is extending its reserves via the new mine programme at Ashcroft. The company is also continuing to explore coal deposits in Princeton and plans to acquire extensive coal leases.

Avoca copper on knife-edge

ACCORDING to the president of Canada's Discovery Mines the future of the Irish Avoca copper mine continues to hang in the balance. It was heavily in the red last year. Moreover, he says, it has only been able to sustain operations through loans from the Irish Government.

In these circumstances, the provision of fresh finance is vital. No negotiations are stated to be proceeding with the Government and with what are described as resource companies in the search for the necessary new funds. It is expected to be some time before final agreements can be arranged.

The argument for keeping this Irish copper venture, which has suffered previous closure, in existence is that it would be a viable operation given higher copper prices and the chance to complete its expansion plan for which there has had to be substituted drastic austerity measures. These have brought down the milling rate by some 40 per cent, curtailed underground development and phased out open pit mining.

Discovery Mines itself suffered a loss last year after consolidating the accounts of Avoca in which it has a 54 per cent interest. The Irish Government itself may be wary of committing further risk funds in view of its losses in Avoca's original career.

In the meantime, Canada's Irish Copper Mines has stated that work has been discontinued on its Irish prospecting licences owing to unfavourable Government policies.

LAURASIA HAS HOPES

Canadian prospecting company Laurasia Resources which tends to

BIDS—(Contd.)

Ladbroke Property sales

THE PROPERTY division of Ladbroke Group has exchanged contracts for the sale of its office block in Harborne, near Birmingham, for £215,000.

look beyond that country's borders for its exploration projects is still very active. Its president, Mr. A. C. A. Howe, reckons that 1975 should be an important one. It should see the start of income in excess of operating costs and therefore a substantial increase in working capital. In addition, work planned by joint venture partners should ensure that Laurasia remains active at minimal cost to itself.

The flow of income is expected to stem from the Minador gold-mining venture in South Africa, in which America's Strauss Minerals now has a 20 per cent stake. Laurasia's chief disappointment to date comes from its South-West Africa activities in conjunction with Canada's Noranda. Political considerations have caused these to be abandoned. Mr. Howe reckons that the leases could be renegotiated given any favourable changes in the political atmosphere. Laurasia was 36p in London yesterday.

GOLD OUTPUT

A modest downturn in production is reported by South Africa's gold mines. Last month's figure of 1,864,713 ounces compares with 1,907,340 ounces in April and 1,922,169 ounces in May 1974. Output for the first months to date of the current year of 12,298,754 ounces compares with 10,294,763 ounces for the same period of 1974 when total output of 124 million ounces was the lowest for 13 years.

NEW GUINEA GOLDFIELDS—May: Golden Ridge: Mined 5,000 tonnes as against 1,318 tonnes produced 587 oz. Fricourt: Mined 5,000 tonnes as against 1,318 tonnes produced 587 oz. Wau: Mined 5,000 tonnes as against 1,318 tonnes produced 587 oz. Wau: Mined 5,000 tonnes as against 1,318 tonnes produced 587 oz.

WHEAL JANE—May output of Tin metal contained in concentrates at 10,000 lb (4,536 kg) as against 10,000 lb (4,536 kg) in April 1974. Mill operated for 25 days during May.

LONDON TIN CORPORATION—Columbian output for June 1974 was 14 tonnes as against 14 tonnes in April. Four weeks' sales.

In addition, two holiday sites acquired with the Calister Group have now been sold for some £250,000. The sites, at Hunstanton and Heacham, Norfolk, were sold as they are not in keeping with the type of centre which Ladbroke is developing.

Ladbroke Holidays is continuing to seek large centres in the U.K. and Europe. It is stated.

Hills London Shops to bid for G. F. Lovell

The Board of Hills London Shops has purchased from Sterling Industrial Securities (a holding of 701,913 Ordinary shares of 25p each in G. F. Lovell and Co., representing some 10 per cent of the Lovell Ordinary capital, for a total cash consideration of £77,210, equivalent to 11p per share.

The Panel on Take-overs and Mergers has given its consent and in accordance with the City Code Hills will be making an offer in order to acquire the remaining Ordinary shares.

Hills London Shops is the holding company of Hills Airport Shops, traders at airports throughout the U.K. and in America. It is intended that Mr. A. F. Hill, Mr. B. B. Winston and Mr. J. Harding will shortly be appointed to the Board of Lovell.

Hogg Robinson in Europe

As part of its expansion programme in Europe, Hogg Robinson has formed Hogg Robinson (France) SARL and purchased 53 per cent of the share capital of Courage D'Assurance Terrestre et Aérienne S.A., a non-marine insurance broking house in Paris.

Hogg Robinson also has formed Control Risks to provide a comprehensive security consultancy service on a world-wide basis.

ASSOCIATES DEALS

Boys-Stones Simpson and Spencer purchased 10,000 Wright Services at 13p on behalf of Ferguson Industrial Holdings.

Felding Newson-Smith bought on behalf of Ferguson Industrial Holdings 233,000 Wright-Serven at 10p.

Speirs and Jeffrey purchased, on behalf of Hewden-Stuart 3,000 A. Gunn at 55p and 5,000 at 56p.

SHARE STAKES

Duckworth and Rubber-CBS Investments (Southend) has increased its holding to 58,666 Ordinary (11.28 per cent).

Construction Holdings—Thermomort Trust now has 10.42 per cent of the nominal value of the shares.

Peak Investments—Burdene Investments has ceased to become beneficial owners of 200,000 Ordinary leaving its total holding at 2,013,558 shares.

Jefferson Smith is now the holder of 6.76m. Ordinary (27.53 per cent) in Alliance Alders Paper and Packaging.

Brown and Tawse—C. Walker and Sons beneficially hold 941,000 Ordinary (10.46 per cent).

Hogarth Shipping owns 453,250 (15.0 per cent) Ordinary in Lyle Shipping.

Smith St Aubyn has increased its holding in Sir Joseph Causton and Sons to 4,357,000 Ordinary and 55,000 partly paid Ordinary (56 per cent).

Concrete-Pentons has acquired a further 70,000 Ordinary shares and its total holding is now 1,835,334 (21 per cent).

SW CANADA—TORONTO & LONDON Slater Walker Canada has acquired over 98 per cent of the 3,380,856 Common shares of Toronto and London Investment at 55 per share. The offer has been extended to July 11.

COMPANY NEWS

Lloyds Industries sees profit increase

ALTHOUGH little comfort can be gained from the present economic climate, the chairman of Lloyds Industries International, Mr. T. Heywood, remains optimistic about the current year's trading.

In the longer term, he is satisfied the group has the resources in personnel, improving liquidity, and product superiority, to "guarantee a prosperous future internationally."

It is too early to make any firm predictions for the current year he tells members, but after three months' trading the directors are encouraged by an upsurge in sales—costs continue to rise, however. Therefore a cautious view is taken of prospects in the home market and the Board will try to ensure that increased turnover more than compensates for lower margins and higher operating costs.

"I am reasonably confident that this can be achieved and, given the expected improvement in earnings overseas, we should see a satisfactory increase in group profits over the year."

In order to conserve financial resources, the company will be looking for a significant improvement in cash flow over the next few years, subject only to "less than 200,000 and the dividend is generous" rates of inflation. Since 1970 over £1m. has been spent on fixed assets and now that the investment programme at Winstford has been completed, and the new plant in Australia commissioned, despite all the uncertainties of no sizeable capital commitments for several years are anticipated.

These two units are fully equipped with modern machinery and have the capacity to handle the far higher levels of production which are currently required, states Mr. Heywood.

As reported on April 30, taxable profits fell from £537,200 to £436,600 in the year to March 1, 1975. The dividend is lifted from 2.75p to 3p net.

Group interests including the manufacture and marketing of car care and aerosol products and the marketing of a range of food products.

Meeting, Manchester, on July 14 at 10 a.m.

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Efficiency drive by EMAP

Mr. F. Rogers chairman of East Midland Allied Press says that efforts to reduce costs and make operations more efficient will continue on volume.

However, there is a limit as to how far selling prices and advertising rates can be increased without having some adverse impact on volume.

He declares that if the Government pursue policies which will moderate the present disastrous rate of inflation, then the company is well placed to weather the present hostile conditions and to be ready to take advantage of any upturn which may develop in 1976 and 1977.

Reported on May 29 pre-tax profit for the year ended March 29, 1975 contracted from £34,906 to £27,000 and the dividend is generous rates of inflation. Since 1970 over £1m. has been spent on fixed assets and now that the investment programme at Winstford has been completed, and the new plant in Australia commissioned, despite all the uncertainties of no sizeable capital commitments for several years are anticipated.

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Following an extraordinary meeting the authorised capital of Alcan Aluminium (U.K.) was increased from £25m. to £50m. The issued capital (at present

£25m.) was increased to £50m. following the sale of Alcan Aluminium Ltd. 32m. Ordinary £1 shares in consideration of its assumption of the conversion of £1 of 8 per cent. Convertible secured Loan Stock 1958/68 the company held by Limited. The trustees of the Loan Stock have agreed to the early conversion of Limited's holding on condition that the shares issued not carry any right to dividend or distributions on the Ordinary capital before the first anniversary date.

The effect of these transactions will be to strengthen the company's equity base and to interest of approximately 200 in a full year, it is stated.

R. Paterson improves in second half

AFTER INCURRING a loss of £18,087 at midway against a profit of £110,128 R. Paterson and reports a pre-tax profit of £10,000 for the year to March 31, 1975. Turnover advanced from £3.38m. to £5.94m.

The Board says the continuing high level of inflation makes it impossible to compare the company's performance with the previous year. Earnings per 25p share given at 1.41p compared 1.95p and the single dividend 0.3375p against last year's total of 0.3375p. Dividends total £28,121 have been waived. Tax takes £101,212 (£138 leaving the net balance c. £185,634 to £97,832. Fig include Bank Brothers' 10 October 1, 1974.

The company manufactures and distributes coffee, chicory and food products.

INTERIM STATEMENT

COMET

RADIOVISION SERVICES LIMITED AND SUBSIDIARIES
CONSOLIDATED PROFIT AND LOSS ACCOUNT

	26 Weeks Ended		Financial Year Ended
	1st March, 1975	2nd March, 1974	31st August, 1974
	£000's	£000's	£000's
Group Turnover	26,828	28,909	48,648
Group Profit before Taxation	1,408	1,159	1,466
Estimated Taxation	764	624	845
Group Profit after Taxation	654	535	621
Extraordinary items net of Taxation	260	—	(18)
Group Profit after Extraordinary items	914	535	605
Earnings per Ordinary Share	5.3p	4.3p	5.0p

Figures shown for March 1974 are unaudited.

INTERIM DIVIDEND. The Board has declared an interim dividend of 1.3p per ordinary share on which shareholders resident in the United Kingdom will be entitled to a tax credit of 0.7p making the equivalent of a gross dividend of 2p. This dividend will be paid on 12th August, 1975, to members on the register at the close of business on 11th July, 1975, and will amount to £161,460.

CONSOLIDATED BALANCE SHEET

	At 1st March, 1975	At 31st August, 1974
	£000's	£000's
Fixed Assets	3,540	4,783
Current Assets	6,228	6,336
Stocks	436	368
Debtors	2,158	12
Cash and Bank	8,823	6,714
Current Liabilities	—	—
Bank Overdraft	—	2,642
Creditors	5,693	4,633
Provision for Warranties	444	271
Net Current Assets (Liabilities)	6,137	7,546
Share Capital	2,688	(832)
Reserves	6,228	3,951
Shareholders Funds	621	621
Deferred Income	2,468	1,718
Deferred Taxation	3,089	2,337
	580	470
	2,557	1,144
	6,226	3,951

CHAIRMAN'S STATEMENT

PROFIT FOR THE HALF-YEAR. I consider that the profits achieved during the 26 weeks to 1st March, 1975, are satisfactory, the more so since they include no profit from rental which produced £165,000 for the similar period in 1973/74.

Included in these profits is interest earned of £114,000, which arose from the sale of various assets of which the television rentals contributed £1.73m. as previously reported. Interest charges totalled £23,000.

As can be seen from the Profit and Loss Account, the sale of our television rental business produced an extraordinary pre-tax profit of £576,000.

HALF-YEAR BALANCE SHEET. Due to the satisfactory trading results, deferral of tax for stock relief and the sale of assets mentioned above, the Company is in a strong financial position, as can be seen from the attached Balance Sheet as at 1st March, 1975. Cash at bank amounted to £2,158,000 compared with a net overdraft of £2,630,000 at 31st August, 1974.

CURRENT TRADING. After the budget and its delayed increases in V.A.T. rates, trade reached unprecedented levels. Our stocks, with help from manufacturers, were sufficient to take maximum advantage of this situation and are now well balanced. Since 1st May, sales have been running at a much lower level than last year but are rapidly recovering. It is obviously difficult to make meaningful forecasts at present, but we expect to return to normal by September.

However, we are confident that profits for the year, excluding extraordinary items, will be substantially in excess of those for last year.

THE FUTURE. I believe that the position of the low overhead retailer in the market place is relatively improved by high levels of V.A.T., since we need add less value and high V.A.T. further increases the competitiveness of our prices; we are hoping to increase our market share.

I said in my last report that there were many locations which were suitable for Comet satellite discount shops in less densely populated towns and we have now made plans to open the first twenty of this type of outlet. Further openings will take place when we have assessed their performance.

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MERCHANT BANKERS AND INVESTORS

Board of Directors
Gordon Barton B.A., LL.B., B.Ec. CHAIRMAN
Gregory Farrell B.Ec. DEPUT

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Haw Par answers Stock Exchange queries

SINGAPORE, June 16.

HAW PAR Brothers International said it sent three letters to the Singapore Stock Exchange, replying to queries raised by the Exchange on matters related to its proposed deal with Permas Securities of Malaysia.

The letters were released by Haw Par and the Exchange. An accompanying Press release from Haw Par said that the company would appoint a merchant bank in London to advise on the situation arising from the decision to require a general bid for London Tin Corp., in which Haw Par proposed to acquire a majority holding through the Permas deal.

The statement also confirmed that Haw Par made a detailed submission to the Singapore Securities Industry Council on the planned bid with Permas, and said that the company requested approval for it in its proposed form, which would give Permas a 38.7 per cent stake in an enlarged Haw Par.

Source close to the company said that no further meetings with the SIC were scheduled. But they were unable to indicate when the Council would announce a ruling on the deal. SIC officials were unavailable for comment.

Among Stock Exchange queries answered in today's letter was a request for an explanation of an apparent \$812.8m fall in the value of net assets attributable to shareholders between January and December last year.

Haw Par said that \$812.8m of the amount cited by the Exchange arose from comparing two figures which are not comparable and related to plans to consolidate the results of London Tin Corp. and Island and Peninsular Development after the proposed deal.

Of the remainder \$883.2m, stemmed from last year's severe fall in stock market values, Haw Par said.

"Of this drop in market values, approximately \$849m, had been recovered by April 30, 1975, and this shortfall had diminished to approximately \$27.7m at the time of the recent Press release based on the most up-to-date information then available," Haw Par said.

Haw Par said that wide stock market fluctuations between June 1973 and May 1975 were reflected in large movements of its asset values related to market value.

It provided the exchange with a general summary of major changes of emphasis in the geographical location of assets resulting from acquisitions during the past four-and-a-half years.

The summary re-affirmed that 57 per cent of the company's net assets are currently located in Malaysia, compared with 22 per cent, in Hong Kong, 19 per cent,

in Singapore and two per cent in Thailand.

No decision has been taken to re-organise Haw Par if the permas deal is approved, the letter said.

Source close to the company said that managing director Donald Ogilvy Watson would probably move to Kuala Lumpur from Singapore. The proposed chairman of the enlarged Haw Par, Tengku Razaleigh Hamezah, would also be based in Kuala Lumpur. Razaleigh is chairman of the Malaysian State oil company Petronas and the State-controlled permas securities.

Margaret Reid adds: In London, Mr. Ian Tamblyn, Haw Par's deputy managing director, said yesterday that the group had not yet appointed the merchant bank which is to advise the Board in the situation arising from the City Take-over.

East Asiatic 'still happy' in Far East

BY HILARY BARNES

COPENHAGEN, June 16.

THE AMERICAN withdrawal from Vietnam has not caused Denmark's East Asiatic to lose confidence in the economic future of South East Asia, according to Mr. Mogens Pagh, chairman and chief executive.

"We are still happy to be called East Asiatic," he said. The company is Europe's biggest shipping operation and traditionally has done a high proportion of its business in the Far East.

Mr. Pagh said the American intervention in Vietnam had not been altogether in vain, it had given regimes in other countries time to stabilise themselves. He named Malaysia and Indonesia as prime examples.

East Asiatic was not uneasy about the situation in Thailand, where it has considerable in-

vestments. Despite events in neighbouring countries, Thailand has never been a colony and has traditional independence. It is not such a fertile breeding ground for Communism, said Mr. Pagh.

He also said the company was endeavouring to obtain permission for its former Saigon branch operation to return to South Vietnam, but so far it had not made any progress.

Mr. Pagh felt that the world economic recession had affected S. E. Asia less severely than Europe. "The inhabitants are not used to such high living standards and when a net back comes they just roll up their shirtsleeves and get on with things," he said, citing for example of Japan's "fantastic" recovery.

Growth forecasts from Shiseido for 1974-75

TOKYO, June 16.

SHISEIDO expects to report after-tax net profits of more than ¥3.3bn. for the six months ended May 31, compared with ¥3.0bn. for the previous six months, managing director Mr. Goro Saito said.

Gross sales totalled an estimated ¥87.8bn.—an increase of 10 per cent over the previous year's ¥78.4bn.

Pre-tax profits rose 30 per cent to ¥8bn. (¥6.1bn.).

Shiseido plans to declare an interim dividend of ¥6.25 per share (same) but it declined to confirm or deny local press reports that the company would increase its capital to ¥5.4bn. by 30 per cent in November.

Gross sales should total at least ¥300bn. for the whole fiscal year ending November 30, ¥171.8bn. and pre-tax profits will be at least ¥15bn. (¥13.5bn.).

Reuters

La Redoute strongly placed

By Rupert Cornwell

PARIS, June 16.

DESPITE LAST autumn's postal strike, and the deepening economic recession, France's major mail order company La Redoute-de-Reims today reported a decidedly cheerful set of figures for its 1974-75 financial year, which ran to last March 1.

In a letter to shareholders, the La Redoute president M. Henri Pollet said that sales, at both parent and consolidated level, were up by over 20 per cent. In each case to Frs.1,770m. and Frs.2,150m. respectively. Overall dividends will be increased to Frs.18 per share from Frs.15.

In addition if the exceptional 18 per cent Government levy on corporate profits is not taken into account for last year, earnings too showed a rise. Including this tax, consolidated net profits were down by 10.5 per cent to Frs.23.7m., excluding the levy, the figures, in fact, show a rise of just under 4 per cent to Frs.33m.

Even La Redoute, however, is starting to feel the pinch of contracting consumer demand. Turnover in the first two months to the end of April 1975 has shown an improvement of only 1.3 per cent—well below forecasts.

Of the subsidiaries last year, the best performance came from the Belgian operation Sarda Lier and the Italian unit Vestro Madone, each of which achieved sales rises of over 35 per cent. Fortified doubts by the experience, La Redoute is moving into the Spanish market with a 50 per cent stake in a new mail order company, VENCA.

Once the present downturn in La Redoute should be well placed. The effects of the postal strike last year were almost mitigated by the parallel services the company has brought in. On the labour front, the introduction of flexible working hours has also gone very well.

Nestle bids for Claudel

By John Wicks

ZURICH, June 16.

NESTLE is to issue a takeover bid for outstanding shares of the French dairy products company Claudel.

Nestle already owns 58.5 per cent of the Claudel capital directly and a further 11.2 per cent through its Mont-Blanc affiliate. Claudel produces butter, pressed cheese and milk powder and markets dessert creams and Guigoz baby food for the Nestle group.

Stauffer's second phase

Art Garcia, our California correspondent, analyses Stauffer Chemical's sharply increased capital spending plans for the next few years

STAUFFER CHEMICAL Company, one of the biggest international chemical concerns in the United States, is launching this year the second phase of its growth programme called "profit expansion." This will mean a sharp jump in capital spending, much of it earmarked for foreign investment. Expenditure will average about \$200m. annually over the next few years, a hefty increase from the \$45m. budget averaged yearly between 1970-73 and the \$83m. in capital investments last year.

Outside U.S.

Much of the attention—and the spending—in Stauffer's second phase programme will be directed outside the U.S. as the company seeks to expand its foreign activity. "During the past few years, we've been making a strong attempt to achieve greater balance in our operations—balance in the ratio of specialties to commodities, international to domestic operations and balance in the number and type of markets served," explains H. Barclay Morley, Stauffer's president and chief executive.

In its new profit expansion programme, the company's balance of specialty products to commodities should improve in favour of the specialties, notes Mr. Morley, who adds: "We have also been striving towards a better balance of international versus domestic business." Sales from international operations prior contributed 12 per cent, or \$106m. to the company's total 1974 volume of \$859m.

Stauffer last year reached its goal of obtaining 25 to 30 per cent of its net after-tax earnings from off-shore involvements. "In spite of the major domestic growth implied in our investment programme, we should be able to maintain international earnings in this range," says Mr. Morley. Stauffer's sales from its international operations last year totalled \$106m., a 81 per cent increase over 1973's \$58m. Foreign subsidiaries more than 50 per cent owned by Stauffer contributed \$47m., as opposed to \$31m. in 1973. The company's export business also was up strongly last year, totalling \$59m., compared with \$35m. the year before.

A good deal of the push behind the gains in 1974's overseas operations came from Stauffer's proprietary agricultural chemicals, as well as successful introduction of its food ingredients production. To meet the demand it expects for its proprietary products, the company is building major new manufacturing bases in Belgium, Japan and Brazil and a new unit also is planned for Mexico.

Operations are being set up in Belgium with a new complex to make agricultural proprietary products for the "high-growth" European market and to establish a major manufacturing base from markets which could be classified as cyclical. As to the first unit at the Feluy site in Belgium, a large thio-carbamate herbicide plant, is scheduled for the fourth quarter of 1975. The company says the combined output of the Feluy plant and an existing smaller

unit in Italy should satisfy Stauffer's proprietary thio-carbamate herbicides in the European territory in future years.

Stauffer this year will begin construction in Japan of a major chemical complex to produce flame retardants, fire-resistant functional fluids, a rice herbicide and "key intermediates," such as phosphorus chlorides. The first units should be completed late next year. Stauffer will establish a new manufacturing base in Brazil on a 100-acre site north of Sao Paulo with a new formulation plant for agricultural chemicals that is to be completed in 1975's third quarter.

An associated company, Mexico is building a chlorine/caustic soda facility which will make that operation self-sufficient in those products and which will, says Mr. Morley, "open up new opportunities in chlorine chemistry." Also under construction is a new complex in Spain for agricultural chemicals formulation and distribution.

Stauffer and the entire agricultural chemicals industry were caught short on capacity to produce herbicides and insecticides in 1974. "In both 1973 and 1974, we sold all of our proprietary pesticides we could produce. We'll sell all we can produce this year," predicts Mr. Morley. "Also, the company will expand its capacity rapidly as possible."

The Stauffer executive has assured stockholders the company has the resources to carry out its ambitious investment programme. "We have the capital we can get it. We can fund all the flow and debt-carrying capacity," he says. Stauffer earlier this year had a \$180m. revolving credit and term loan agreement with 12 banks. That, coupled with current cash flow, "should handle the company's requirements for at least the next two years," says Mr. Morley.

Specialisation

Mr. Morley says only 14 per cent of Stauffer's profits are from markets which could be classified as cyclical. As to specialisation, the other half of the profit expansion programme, "we are continuing our effort to develop product opportunities in which we do not simply compete in the market place on a

Traction et Electricite issue

BY DAVID CURRY

BRUSSELS, June 16.

ONE OF Belgium's biggest industrial holding companies, Societe de Traction et Electricite, is making a four-for-eight rights issue which is expected to raise around B.Frs.900m. (€11m.). The issue marks a departure from the company's normal practice of raising the between B.Frs.1.2bn. a year 1975 results would show an improvement again, and the same would probably be true of 1976.

The issue is open to holders of shares and convertible bonds—the company has made four convertible issues since 1969, raising around B.Frs.5bn. The new shares, of nominal B.Frs.3,000, will be issued at B.Frs.2,750 from June 24 to July 9.

Despite the expansion of its share capital, the company has managed to turn in an average annual dividend, thanks to diversification into growth sectors like petrol and petroleum products, chemicals and electro-chemicals. Shareholders funds and convertible loans have risen from B.Frs.1.1bn. to B.Frs.9.1bn. since 1970.

The estimated value of the company's portfolio was B.Frs.12bn. at the end of last year, including stakes of between 10 and 15 per cent in two major groups, Electrobels and EBES. The Societe Generale de Belgique is the dominant shareholder in Traction et Electricite, with a direct or indirect stake of almost 45 per cent. SGB earlier this month raised B.Frs.2.7bn. via a convertible offering, partly to enable it to subscribe to capital increases of the pivotal companies in its own portfolio.

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Universal gets 91% of Libby

NEW YORK, June 16.

UNIVERSAL FOOD Specialties, a wholly-owned subsidiary of Nestle, Aliments, has obtained about 2,844,000 shares of Libby McNeill & Libby common stock and \$10m. principal amount of debentures in its tender offer, which it said will increase its ownership of Libby common to about 91 per cent.

The 5 per cent convertible subordinated debentures are due January 15, 1980.

Universal said it will purchase all common stock and debentures tendered up to and including June 15. It also said the offer has been extended to June 22.

Reuters

Company Results

Sumitomo sees first half loss

Sumitomo Chemical Co. is to pass its interim dividend for the first half to June 30, in view of poor results.

However, it plans to declare a dividend of ¥1 for the current dividend to December 31, unchanged from the previous dividend payment is in line with company policy of paying regular semi-annual cash dividends up to the extent of 70 per cent of annual earnings.

Sumitomo said it is likely to record a pre-tax loss in the first half for the first time in its history as a result of sluggish sales of ethylene and aluminium.

Bangkok Consolidated, the Philippines largest gold producer, will pay a semi-annual cash dividend of 7 U.S. cents per share to all common class B, convertible preferred class A and common class A shareholders.

The cash dividend payment is in line with company policy of paying regular semi-annual cash dividends up to the extent of 70 per cent of annual earnings.

Bangkok, listed on the New York Stock Exchange, paid last year a semi-annual cash dividend of 7 U.S. cents per share, plus an extra cash dividend of \$0.035 per share.

Oy Wartsila expanding

BY LANCE KEYWORTH

HELSINKI, June 16.

OY WARTSILA reports a "reasonably satisfactory" net profit of FMK151.9m. (€2.4m.) in the first half of 1975, compared with FMK121.1m. in 1974. The company paid a dividend of 10 per cent on a share capital of FMK1110m.

Sales jumped by 44 per cent to FMK1.1bn. but part of this was due to inflated prices. (The average increase in sales over the past ten years has been about 22 per cent.) The estimate for invoicing in the current year is some FMK1.5bn.

In spite of weak international demand, Wartsila's shipyard won orders in 1974 for 14 vessels totalling 348,000 gross register tons.

Total orders in hand at the beginning of 1975 came to 698,000 gross register tons, or 698,000 gross register tons, or 698,000 gross register tons, or 698,000 gross register tons.

Investments in 1974 totalled FMK174m.—15 per cent of the shipbuilding branch which is constructing a new shipyard at Turku. Investment expenditure is expected to increase in the next few years as the company implements the biggest expansion and modernisation plan in its 141-year history.

Amsterdam Rubber losses

AMSTERDAM, June 16.

RUBBER CULTUUR MIJ In the near future it aims to reduce its trading activities to an absolute minimum, Langelaan said.

The trading side, together with other activities, showed a loss of Fls. 4m. in 1974, compared with a profit of Fls. 1.45m. from the agricultural sector.

Prospects for the agricultural sector this year are less favourable because of rising costs, he added.

Reuters

BFCE DM100m. loan

PARIS, June 16.

Banque Francaise du Commerce Exterior plans to raise shortly DM100m. through an eight year bond issue, with an expected coupon of 8 1/2 per cent.

The issue will be managed by Dresdner Bank and carries a French State guarantee.

Reuters

had arranged what is believed to be the first major loan to Australia from the Middle East.

The loan is for 27m. Saudi Arabian Riyals, equivalent to about \$68m., for a term of up to 8 1/2 years. The interest rate is 8 per cent.

The borrower, Australian National Hotels, operates the West Point Hotel in Hobart, Tasmania.

Turing Securities Limited of Sydney, to-day announced that it

UNITED MEXICAN STATES

U.S. \$200,000,000

MEDIUM TERM LOAN

MANAGED BY

CITICORP INTERNATIONAL BANK LIMITED

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AGENT

MAY 16, 1975

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

	Bid	Offer		Bid	Offer
STRAIGHTS:					
Amstar 5 1/2% 1986	99	100	General Electric 4 1/2% 1987	99	100
Amstar 6 1/2% 1987	99	100	General Electric 4 1/2% 1987	99	100
Amstar 7 1/2% 1988	99	100	Gillette 4 1/2% 1987	99	100
Amstar 8 1/2% 1989	99	100	Gillette 4 1/2% 1987	99	100
Amstar 9 1/2% 1990	99	100	Harris 5% 1992	99	100
Amstar 10 1/2% 1991	99	100	Harris 5% 1992	99	100
Amstar 11 1/2% 1992	99	100	Harris 5% 1992	99	100
Amstar 12 1/2% 1993	99	100	Harris 5% 1992	99	100
Amstar 13 1/2% 1994	99	100	Harris 5% 1992	99	100
Amstar 14 1/2% 1995	99	100	Harris 5% 1992	99	100
Amstar 15 1/2% 1996	99	100	Harris 5% 1992	99	100
Amstar 16 1/2% 1997	99	100	Harris 5% 1992	99	100
Amstar 17 1/2% 1998	99	100	Harris 5% 1992	99	100
Amstar 18 1/2% 1999	99	100	Harris 5% 1992	99	100
Amstar 19 1/2% 2000	99	100	Harris 5% 1992	99	100
Amstar 20 1/2% 2001	99	100	Harris 5% 1992	99	100
Amstar 21 1/2% 2002	99	100	Harris 5% 1992	99	100
Amstar 22 1/2% 2003	99	100	Harris 5% 1992	99	100
Amstar 23 1/2% 2004	99	100	Harris 5% 1992	99	100
Amstar 24 1/2% 2005	99	100	Harris 5% 1992	99	100
Amstar 25 1/2% 2006	99	100	Harris 5% 1992	99	100
Amstar 26 1/2% 2007	99	100	Harris 5% 1992	99	100
Amstar 27 1/2% 2008	99	100	Harris 5% 1992	99	100
Amstar 28 1/2% 2009	99	100	Harris 5% 1992	99	100
Amstar 29 1/2% 2010	99	100	Harris 5% 1992	99	100
Amstar 30 1/2% 2011	99	100	Harris 5% 1992	99	100
Amstar 31 1/2% 2012	99	100	Harris 5% 1992	99	100
Amstar 32 1/2% 2013	99	100	Harris 5% 1992	99	100
Amstar 33 1/2% 2014	99	100	Harris 5% 1992	99	100
Amstar 34 1/2% 2015	99	100	Harris 5% 1992	99	100
Amstar 35 1/2% 2016	99	100	Harris 5% 1992	99	100
Amstar 36 1/2% 2017	99	100	Harris 5% 1992	99	100
Amstar 37 1/2% 2018	99	100	Harris 5% 1992	99	100
Amstar 38 1/2% 2019	99	100	Harris 5% 1992	99	100
Amstar 39 1/2% 2020	99	100	Harris 5% 1992	99	100
Amstar 40 1/2% 2021	99	100	Harris 5% 1992	99	100
Amstar 41 1/2% 2022	99	100	Harris 5% 1992	99	100
Amstar 42 1/2% 2023	99	100	Harris 5% 1992	99	100
Amstar 43 1/2% 2024	99	100	Harris 5% 1992	99	100
Amstar 44 1/2% 2025	99	100	Harris 5% 1992	99	100
Amstar 45 1/2% 2026	99	100	Harris 5% 1992	99	100
Amstar 46 1/2% 2027	99	100	Harris 5% 1992	99	100
Amstar 47 1/2% 2028	99	100	Harris 5% 1992	99	100
Amstar 48 1/2% 2029	99	100	Harris 5% 1992	99	100
Amstar 49 1/2% 2030	99	100	Harris 5% 1992	99	100
Amstar 50 1/2% 2031	99	100	Harris 5% 1992	99	100
Amstar 51 1/2% 2032	99	100	Harris 5% 1992	99	100
Amstar 52 1/2% 2033	99	100	Harris 5% 1992	99	100
Amstar 53 1/2% 2034	99	100	Harris 5% 1992	99	100
Amstar 54 1/2% 2035	99	100	Harris 5% 1992	99	100
Amstar 55 1/2% 2036	99	100	Harris 5% 1992	99	100
Amstar 56 1/2% 2037	99	100	Harris 5% 1992	99	100
Amstar 57 1/2% 2038	99	100	Harris 5% 1992	99	100
Amstar 58 1/2% 2039	99	100	Harris 5% 1992	99	100
Amstar 59 1/2% 2040	99	100	Harris 5% 1992	99	100
Amstar 60 1/2% 2041	99	100	Harris 5% 1992	99	100
Amstar 61 1/2% 2042	99	100	Harris 5% 1992	99	100
Amstar 62 1/2% 2043	99	100	Harris 5% 1992	99	100
Amstar 63 1/2% 2044	99	100	Harris 5% 1992	99	100
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Amstar 65 1/2% 2046	99	100	Harris 5% 1992	99	100
Amstar 66 1/2% 2047	99	100	Harris 5% 1992	99	100
Amstar 67 1/2% 2048	99	100	Harris 5% 1992	99	100
Amstar 68 1/2% 2049	99	100	Harris 5% 1992	99	100
Amstar 69 1/2% 2050	99	100	Harris 5% 1992	99	100
Amstar 70 1/2% 2051	99	100	Harris 5% 1992	99	100
Amstar 71 1/2% 2052	99	100	Harris 5% 1992	99	100
Amstar 72 1/2% 2053	99	100	Harris 5% 1992	99	100
Amstar 73 1/2% 2054	99	100	Harris 5% 1992	99	100
Amstar 74 1/2% 2055	99	100	Harris 5% 1992	99	100
Amstar 75 1/2% 2056	99	100	Harris 5% 1992	99	100
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Amstar 77 1/2% 2058	99	100	Harris 5% 1992	99	100
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Amstar 79 1/2% 2060	99	100	Harris 5% 1992	99	100
Amstar 80 1/2% 2061	99	100	Harris 5% 1992	99	100
Amstar 81 1/2% 2062	99	100	Harris 5% 1992	99	100
Amstar 82 1/2% 2063	99	100	Harris 5% 1992	99	100
Amstar 83 1/2% 2064	99	100	Harris 5% 1992	99	100
Amstar 84 1/2% 2065	99	100	Harris 5% 1992	99	100
Amstar 85 1/2% 2066	99	100	Harris 5% 1992	99	100
Amstar 86 1/2% 2067	99	100	Harris 5% 1992	99	100
Amstar 87 1/2% 2068	99	100	Harris 5% 1992	99	100
Amstar 88 1/2% 2069	99	100	Harris 5% 1992	99	100
Amstar 89 1/2% 2070	99	100	Harris 5% 1992	99	100
Amstar 90 1/2% 2071	99	100	Harris 5% 1992	99	100
Amstar 91 1/2% 2072	99	100	Harris 5% 1992	99	100
Amstar 92 1/2% 2073	99	100	Harris 5% 1992	99	100
Amstar 93 1/2% 2074	99	100	Harris 5% 1992	99	100
Amstar 94 1/2% 2075	99	100	Harris 5% 1992	99	100
Amstar 95 1/2% 2076	99	100	Harris 5% 1992	99	100
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Amstar 97 1/2% 2078	99	100	Harris 5% 1992	99	100
Amstar 98 1/2% 2079	99	100	Harris 5% 1992	99	100
Amstar 99 1/2% 2080	99	100	Harris 5% 1992	99	100
Amstar 100 1/2% 2081	99	100	Harris 5% 1992	99	100
Amstar 101 1/2% 2082	99	100	Harris 5% 1992	99	100
Amstar 102 1/2% 2083	99	100	Harris 5% 1992	99	100
Amstar 103 1/2% 2084	99	100	Harris 5% 1992	99	100
Amstar 104 1/2% 2085	99	100	Harris 5% 1992	99	100
Amstar 105 1/2% 2086	99	100	Harris 5% 1992	99	100
Amstar 106 1/2% 2087	99	100	Harris 5% 1992	99	100
Amstar 107 1/2% 2088	99	100	Harris 5% 1992	99	100
Amstar 108 1/2% 2089	99	100	Harris 5% 1992	99	100
Amstar 109 1/2% 2090	99	100	Harris 5% 1992	99	100
Amstar 110 1/2% 2091	99	100	Harris 5% 1992	99	100
Amstar 111 1/2% 2092	99	100	Harris 5% 1992	99	100
Amstar 112 1/2% 2093	99	100	Harris 5% 1992	99	100
Amstar 113 1/2% 2094	99	100	Harris 5% 1992	99	100
Amstar 114 1/2% 2095	99	100	Harris 5% 1992	99	100
Amstar 115 1/2% 2096	99	100	Harris 5% 1992	99	100
Amstar 116 1/2% 2097	99	100	Harris 5% 1992	99	100
Amstar 117 1/2% 2098	99	100	Harris 5% 1992	99	100
Amstar 118 1/2% 2099	99	100	Harris 5% 1992	99	100
Amstar 119 1/2% 2100	99	100	Harris 5% 1992	99	100
Amstar 120 1/2% 2101	99	100	Harris 5% 1992	99	100
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Amstar 162 1/2% 2143	99	100	Harris 5% 1992	99	100
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Amstar 167 1/2% 2148	99	100	Harris 5% 1992	99	100
Amstar 168 1/2% 2149	99	100	Harris 5% 1992	99	100
Amstar 169 1/2% 2150	99	100	Harris 5% 1992	99	100
Amstar 170 1/2% 2151	99	100	Harris 5% 1992	99	100
Amstar 171 1/2% 2152	99	100	Harris 5% 1992	99	100
Amstar 172 1/2% 2153	99	100	Harris 5% 1992	99	100
Amstar 173 1/2% 2154	99	100	Harris 5% 1992	99	100
Amstar 174 1/2% 2155	99	100	Harris 5% 1992	99	100
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Amstar 181 1/2% 2162	99	100	Harris 5% 1992	99	100
Amstar 182 1/2% 2163	99	100	Harris 5% 1992	99	100
Amstar 183 1/2% 2164	99	100	Harris 5% 1992	99	100
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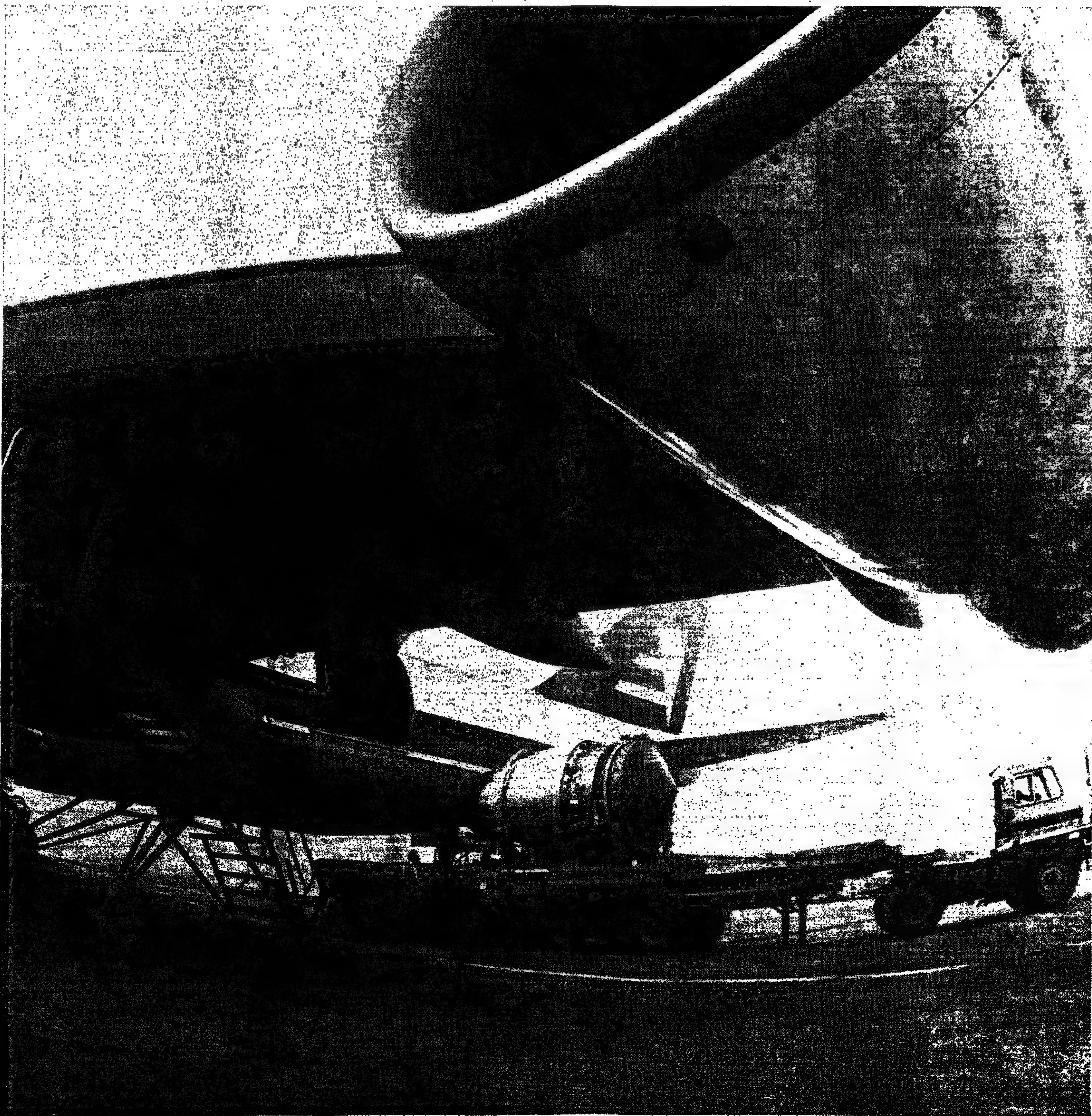
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Sir Jeremy Harte has been appointed a director and deputy chairman of Lloyds Bank International from July 1 and Mr. Henry A. A. Hankey is to join the Board from that date on. Sir Geoffrey Wallinger and Mr. James Lamoureaux retire from the Board at the end of this month. Sir Jeremy is deputy chairman of Lloyds Bank and Mr. Hankey was formerly Assistant Under-Secretary of State, Foreign and Commonwealth Office.

Mr. Geoffrey Knight, vice-chairman of British Aircraft Corporation Ltd., has joined the General Motors Corp. and has been appointed a director and

MENT ACCOUNTANTS for 1975-1976. Mr. Ronald Frank and Mr. Alexander Morrison have been made vice-presidents.

Mr. M. F. Odling, director of merchandising of ICI FIBRES, has been appointed commercial director of SOUTH AFRICAN NYLON SPINNERS, an associate company of Imperial Chemical Industries, following the treatment of the J. B. Whitehead. Mr. A. M. L. Beek becomes ICI Fibres' merchandising manager with responsibility for domestic textiles as well as apparel. He has been succeeded by Mr. J. B. Odling, sales manager for wet knitting, hosiery and throwster business.

On 15th July, 1975 \$475 per cent
On 21st August, 1975 \$475 per cent

\$950 per cent

\$971 per cent

Interest (less Income Tax) will be payable half-yearly on the 15th April and the 15th October. A first payment of £2,727 (less Income Tax) per annum will be made on the 15th October, 1975.

The Stock is an investment valued within Part II of the First Schedule to the 1968 Act.

Mr. J. B. Midgley has been elected chairman of the Meat and Allied Trades Transport Committee of the ROAD MILEAGE ASSOCIATION in succession to Mr. T. G. Wilson who is no longer engaged in meat transport.

Mr. P. W. Townsend has been appointed chairman of D. R. JACKSON and Mr. P. A. Good has joined the Board. The company was recently acquired by Whitcroft.

Mr. David Milne has been

Mr. G. H. Doust is to relinquish his position as deputy managing director of CHEMUR to devote more time to his private affairs, but he will become a director of the literary division of the company.

Mr. Bryan Weston has been appointed a member of the SOUTHERN WESTERN ELECTRICITY BOARD and continues as the Board's commercial manager.

Mr. Nicholas Brentnall Beard and Mr. John Newman have joined the main board of BRENTNALL BEARD HOLDINGS.

★

Mr. A. J. M. Gordon has become a partner in W. R. MIDDLETON AND CO., stockbrokers, and Mr. M. A. Hancock has left the firm.

★

GEI INTERNATIONAL has announced a reorganisation of its Midlands Bright Group Steel Division, which now comprises Midland Bright, Bright Steel, Bright Rods and Bars and Hemming.

Mr. G. A. Thomas, previously a director and general manager of

Mr. James Langston, a director of BROWN JENKINSON AND CO (SWITZING), has been promoted to the additional post of general manager of that company from July 1.

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£70,000. Our price £18,000. Further
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021-370 5446 Telex 337052.

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Expanding Company wishes to purchase or associate with capable plastic molding company ideally located:
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3 Manchester area.
To satisfy annual requirement of 510,000 plus business producing plastic goods. Small moulded assemblies incorporating some metalwork. Some experience in some of these areas.

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and
BUSINESSES WANTED
APPEAR EVERY FRIDAY

be required by the Secretary of State for the Environment.

3. Purpose of Issue.—The net proceeds of the present issue of Stock will be applied to replace maturing debt.

4. Redemption of Stock.—The Stock will be redeemed at par on the 15th of 1981 unless it has previously been called by purchase in the open market or by agreement with the holders.

5. Registration.—The Stock, when fully paid, will be registered and transfer of charge, in multiples of one penny, by instrument in writing in accordance with the Stock Transfer Act 1963 at National Westminster Bank Limited, Registered Office, Bristol Office, P.O. Box No. 62, National Westminster Court, 31 Street, Bristol, B2 4BN.

6. Interest.—The interest (less Income Tax) will be paid half-yearly.

be for a minimum of \$300 of stock or for "multiples" thereof up to \$3,000. Larger applications must be made in accordance with the following scale:

Applications above \$1,000 Stock and not exceeding \$3,000 Stock in multiples of \$300.

Applications above \$3,000 Stock and not exceeding \$30,000 Stock in multiples of \$1,000.

Applications above \$30,000 Stock in multiples of \$3,000.

A separate cheque must accompany each application form and no application will be considered unless this condition is fulfilled.

In the case of a partial allotment, the balance from the amount paid as deposit will be refunded to the applicant by cheque. If no allotment is made, the deposit will be returned in full.

to the sender. When payment in full is made, the Letter of Allotment will be appropriately marked and returned to the sender, unless the registration split form has been completed, in which case pages 1 and 2 only of the Letter will be returned to the sender.

Letters of Allotment will be split in multiples of £50, but fully-paid Letters will be split in multiples of 1p of Stock. No Letter of Allotment will be split unless all instalments then due have been paid, and will be no charge for splitting Letters of Allotment.

Stock Certificates will be forwarded on the 16th October, 1973 by ordinary post at the risk of the stockholder(s) to the first named registered holder at the registered address, unless between the 12th September, 1973 and the 9th October 1973 the holder has notified the Registrar in writing that he or she wishes to receive the Stock Certificate by registered post.

Population June 1974 (Registrar-General's estimate) £115
 Marketable Value—last April, 1975 £115
 Product of a rate of 1p in £2—1975/76 (estimated):
 Rate in £10 £1.195/76 £115
 Net Long Debt, estimated at 31st March, 1975 £115
 5. Projections and applications for aid can be obtained from—
THE NATIONAL WESTMINSTER BANK LIMITED,
 New Issues Department, P.O. Box 79, Drapers Gardens, 11 Throgmorton Avenue, London E.C2P 3BD, and any of the Principal Branches of Bank
PERKINS & ROYLE, 11 Abchurch Lane, London E.C4N 3DF

The List of Applications will open at 10 a.m. on Thursday, 14th June, 1975, and close at any time on the same day.

APPLICATION FORM
for
**City of Westminster 13 per cent.
Redeemable Stock, 1981**
Issue of £12,000,000 Stock at £97½ per cent

any less amount that may be allotted to me/us and to pay for the same in connection with the terms of the said Prospectus. I/We request that any Letter of Allocation or respect of Stock allotted to me/us be sent to me/us by post at our risk in the event of non-receipt of the same, and that the same be registered by your company.

I/We enclose the required deposit of _____ being paid per _____ on the nominal amount applied for, and warrant that the cheque attached herein will be honoured on first presentation and agree that any allotment of Stock is hereby made on this understanding.

I/We declare that I am not/we one of us is resident outside the United Kingdom or Territories within the meaning of the Exchange Control Act, 1947, and that I/we are not a company or firm or partnership or any member(s) of any company or firm or partnership, and that I/we are not a company or firm or partnership or any member(s) of any company or firm or partnership.

Please use Block Letters
(The spaces below are for use in the case of joint applications)

SIGNATURE

PLEASE USE BLOCK LETTERS

SIGNATURE

First Name(s) in full

Surname and Designation
(Mr., Mrs., Miss or Title)

Address in full

1. If this declaration cannot be made, it should be deleted and reference should be made to an Authorized Depositary or, in the Republic of Ireland, an Approved Agent, who will be named in the Declaration. The Declaration should be signed by the Agent in the Bank of England's Notice S.C. 1, and include banks, stockbrokers and other financial institutions in the United Kingdom, the Channel Islands or the Isle of Man. Agents in the Republic of Ireland are defined in the Bank of England's Notice S.C. 1. The Scheduled Territories at present comprise: the United Kingdom, the Channel Islands, the Isle of Man, the Republic of Ireland and Gibraltar.

A SEPARATE CHEQUE MUST ACCOMPANY EACH APPLICATION FORM. THIS CONDITION WILL BE CONSIDERED UNLESS THIS CONDITION

FULFILLED.

This Form should be filled up and sent to—
NATIONAL WESTMINSTER BANK LIMITED, New Issues Department, P.O. Box 79, Drapers Gardens, 12 Throgmorton Avenue, London E.C.P. 8RD, with a cheque payable to National Westminster Bank Limited for the amount of the deposit. Cheques must be crossed "Westminster Loan."

No receipt will be issued for payment on this application but an acknowledgment will be forwarded by post in due course, either by letter of Allotment, or by return of deposit.

FINANCIAL TIMES REPORT

Tuesday June 17 1975

Microfilm

Microfilm is currently the fastest growing sector of the office equipment industry, with a growth rate of 20 per cent. The main benefits to the user lie in the cost savings and convenience of the system.

Fighting the paper plague

THE EIGHTH plague is paper—so said an office manager to me last week as he fretted to find more space for another filing cabinet, into which went copies of letters which, according to the recent surveys, cost over £3 each to produce, certainly in the London area. The sweat on his brow came when he struggled to find some information stored several years ago.

Given the escalating costs of paper and of processing and then storing information, it is not surprising that the business world has at last harnessed a type of technology that has been around for a long time—the first micro-photograph was produced in 1839. Now, instead of being a mild curiosity, that technology has matured into what is currently the fastest growing sector of the office equipment market. And Britain is right in the vanguard of the growth trend, at least as far as Europe is concerned, despite the economic difficulties.

The term microfilm refers to the reduction of original documents on to photographic film using one or other of the various microforms like microfiche or microfilm. The micro-image appearing on the film can be from one-fifth to 1/22,500th of the size of the original document.

ment. And that is where the bulk of the cost saving comes. It is estimated that by converting paper files on to microfilm a company can save up to 90 per cent. of the space used to file its documents, thus contributing to an impressive rent saving. In addition, retrieval of information can be more efficient and security can be improved, too.

Basically, there are two types of microforms. One is microfilm which can be in 35 mm. or 16 mm. Since the information is in sequence, this form is better for archival records. Because the film role needs to be wound through a reader, either manually or mechanically, the readers are more expensive.

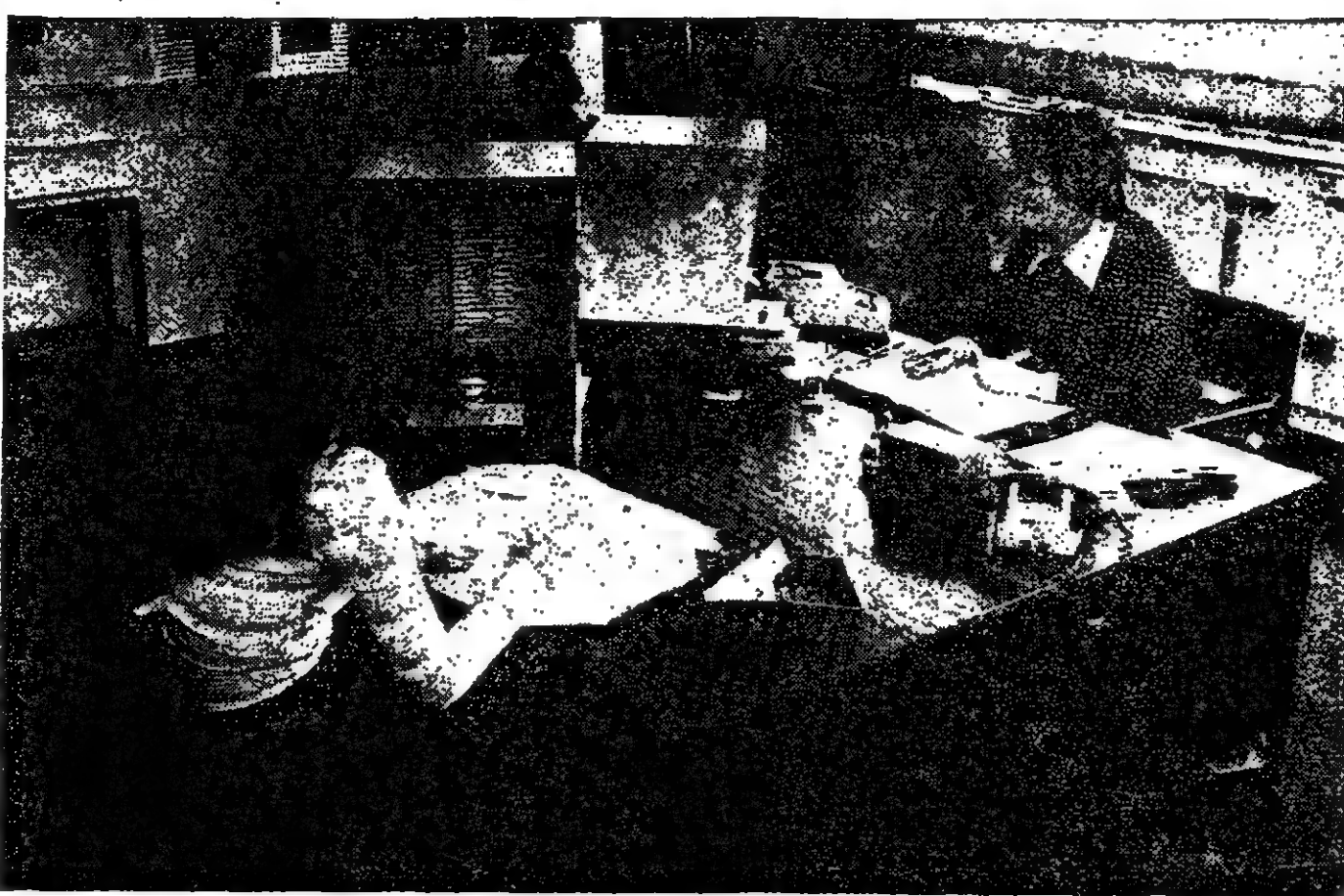
The second form is microfiche (French for a file index card), which is more flexible and allows for easier retrieval. This form accounts for about 70 per cent. of the market. The most common microfiche is a durable sheet of film six inches by four inches and contains about 96 pages of information at a reduction ratio of 24, or 208 pages at a reduction of 42.

Equipment

The equipment required to run a microfilm system in the office can include a camera to record documents; a supply of micro-photograph was produced in 1839. Now, instead of being a mild curiosity, that technology has matured into what is currently the fastest growing sector of the office equipment market. And Britain is right in the vanguard of the growth trend, at least as far as Europe is concerned, despite the economic difficulties.

To purchase the full gamut of equipment could cost from around £25,000 to over £40,000, depending on the degree of sophistication and size of operation. Naturally prices have tended to rise as part of the inflationary pressures, but it is generally true that equipment costs as well as that of consumables have not risen as fast as the rise in the price of paper—the competitive medium—or as fast as the rate of inflation as measured by the retail price index.

Some equipment has even fallen in price as the expanding market results in lower unit costs of production. This is true for many readers, but is not true for the hard capital equipment like processors. Thus when one hears of an intrinsic growth rate of around 20 per cent, a figure which is generally passed around in the trade, it indicates positive volume from only £12m. to over £20m. Readers and readers printers... 5.8m. COM recorders 1.6m. Computer Input 1.0m. Microfilm 4.5m. Consumables 2.5m. 19.5m.



NCR 456-200 microfiche readers being used by Petrofina (U.K.) in its Cash Allocation Department. A list of debtors is supplied monthly on fiche from the NCR COM Bureau, and as payments arrive the fiche and readers are used to locate the respective invoices.

indicates positive volume from only £12m. to over £20m. Readers and readers printers... 5.8m. COM recorders 1.6m. Computer Input 1.0m. Microfilm 4.5m. Consumables 2.5m. 19.5m.

There are no reliable statistics in the industry—a factor that the Business Equipment Trade Association and its members should rectify. And estimates of the size of the market vary

According to a survey by consultants G. G. Baker and Associates to be published later this month, the projected size of the market for this year is £19.5m.—representing a considerable growth rate over the size of the market given for 1974 of £12m. Mr. Gerald Baker splits up this market estimate as follows:

Cameras 2.7m. Processors, duplicators, etc. 1.4m.

There are other breakdowns of the market, not necessarily relating to a market that is estimated at the same size. Frost and Sullivan, for instance have broken down the users into four categories: financial institutions (34 per cent.), Government (22 per cent.), industry (18 per cent.), and others—libraries, hospitals and service bureaux—the remaining 26 per cent. Yet another breakdown is by functions, by Bell and Howell.

About the half the market, says the company, is concentrated in the Business Records field using 16mm roll and jackets. A quarter uses COM. 15 per cent. is for Scientific and Technical uses with 35mm roll, and the remaining tenth is concentrated in Micropublishing. The fastest growing sectors, according to Bell and Howell, are in Business Records and COM.

There is undoubtedly a great deal of potential since the degree of market penetration so far achieved is only around the 1-2 per cent. level—against over 10 per cent. for the U.S. So there is lots to go for and some companies are already benefitting from this underlying strength. Bell and Howell, for instance, claims that its orders for the first five months of the year have risen by over half and that increases in actual sales are not far behind. That rate of growth is pretty good for a year of recession in the general economy.

Certainly COM, Computer

around £12m., followed by Scandinavia, Benelux and Italy, fast. This is a system which together accounting for under £15m.

However, this contrasts with a study of the European market done in 1971 by the U.S. Department of Commerce which showed the U.K. market at \$18m. and the German market at \$22.5m. The forecast in that survey was that the U.K. market would grow to \$45.4m. by 1978 and the German market to \$83.7m.

A survey of the European market by Frost and Sullivan published in January indicated a total market of \$160m. in 1974, of which Germany accounted for \$50m., the biggest single share, and the U.K. second in the league, was put at \$35m.

Frost and Sullivan also take a less sanguine view of the growth rate in the U.K. because of the national economic problems and predict that the current rate of around 20 per cent. a year in the industry could drop to 10 per cent. for the next few years before picking up strongly to grow at 50 per cent. in the next decade.

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Certainly COM, Computer

Specialists

Bell and Howell acquired the Pertec range of COM records in 1974 and has formed a strong team of specialists to support distributors. Eventually it will sell direct in some European countries.

According to some estimates Kodak, Bell and Howell, National Cash Register and 3M share over 85 per cent. of the overall market and have even stronger shares of particular market sectors. But the strong underlying growth trend still leaves room for many other firms and small bureaux are springing up all the time.

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So there is lots to go for and some companies are already benefitting from this underlying strength. Bell and Howell, for instance, claims that its orders for the first five months of the year have risen by over half and that increases in actual sales are not far behind. That rate of growth is pretty good for a year of recession in the general economy.

Roy Levine

NCR gives you all the good things about COM and none of the bad.

Like all computer operated microfiche systems, ours cuts paper costs, makes information easier to store and quicker to find.

But as computer people ourselves, we know the hang-ups too. So we got rid of them with the NCR 643-105 Quantor COM system.

The 643 is self-contained

That's worth a lot because you don't have to find the money or the space for the extra bits of equipment other recorders need. Nor do you have to go to the trouble and expense of having the 643 plumbed in. You just plug it in.

Anyone can use the 643

You don't need an army of experts to work the NCR 643. Anyone can follow its simple, fail-safe controls. And in not much more than a minute it delivers a microfiche, cut and dried, containing over 200 pages of information.

The 643 is small

The NCR 643 takes up no more floor space than a desk. So it's small enough to fit into the computer room. Or anywhere else it'll be most useful.

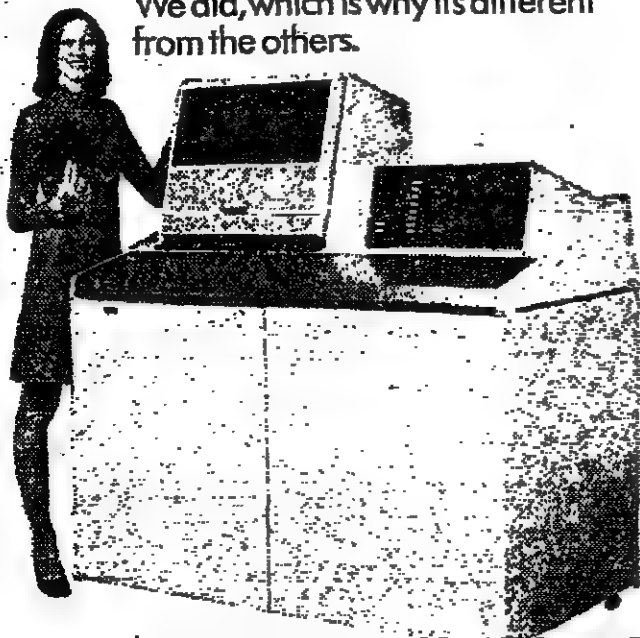
Computer people like the 643

The NCR 643 has already convinced a lot of computer people. In the past two years we've installed more COM systems than anyone else.

Test our COM system yourself

Even if after all we've done with the Quantor, you're not yet completely sold on COM, we can still help you. We've a COM Bureau Service that lets you try out the system and compare it without committing yourself.

So have a think about the NCR 643. We did, which is why it's different from the others.



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206 Marylebone Road, London NW1 6LY.

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Company _____
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☐ Please send me details of the NCR 643-105 COM recorder/processor.

☐ Please send me details of the NCR COM Bureau Service

Please tick as required.

NCR
Computers & Terminals.

How microfilm gave Yardley the sweet smell of success

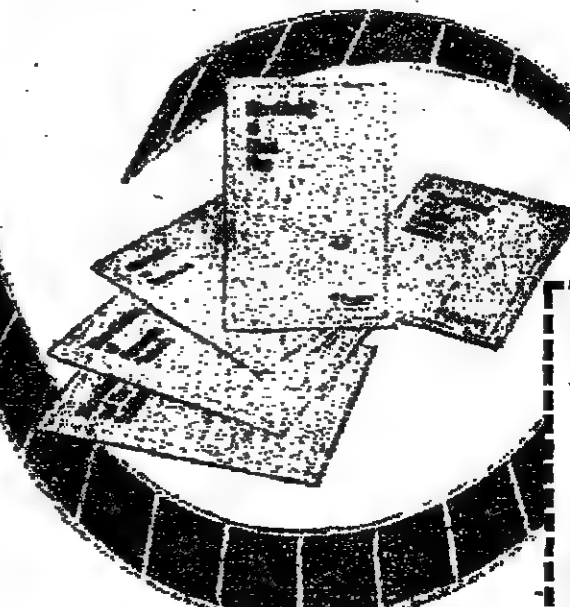
With over 500 cosmetic products and more than 10,000 retail outlets, keeping track of all the deliveries and payments was causing something of a problem for Yardley. The answer? A Bell & Howell microfilm 'jacket' system which stores all the orders, correspondence, delivery, invoice and credit note information in Customer File order.

So now every retailer that sells Yardley products is allocated a microfilm jacket which is simply updated to show each transaction as it happens. And if there is any query, it can be answered immediately. That way the retailer gets what he wants, when he wants it; and Yardley gets paid sooner.

It all adds up to better cash flow for Yardley, and a happier relationship with their retailers.

You could say that together, Bell & Howell and microfilm have given the Accounts Department at Yardley the sweet smell of success.

Fill in and post the coupon, we'll send you our free booklet "Microfilming of Client Files" one of a series of informative booklets which deal with microfilm at work in: Business, Accounts Records, Law and Client Files.



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Our DATAGRAPHIX 4500/150 and our DATAGRAPHIX 4460 with their on-line computers produce roll film and fiche fully titled and indexed directly from print image tapes. **COM FORMATTING** is not necessary. We already process tapes from the following computers.

ICL 1900 (XRMF, George II and George III), ICL SYSTEM—4, IBM, HONEYWELL, UNIVAC, BURROUGHS, RXDS and CDC.

We also use the full capability of the electronic medium by varying character size and page format to increase readability. Further facilities include typesetting simulation and graphics.

A PERTIC 3700 enhances our operations and we carry a full range of software for fiche, roll film and specialist indexing.

Our high speed duplicating equipment, fully trained personnel, efficient transport and experience in microfilm technology ensure exceptional service and reliability.

MICROGEN LIMITED, 9 LANGLEY ROAD, WATFORD, HERTS WD1 3PS

Contact Alan Bratchell at Watford 41387.

MICROFILM II

Saving space in the office

THE MAIN reason that the use of microfilm is spreading even during a time of recession in the economy and against forecasts of a sharp drop in overall investment is that the user can save space in the office and so reduce the rent bill. At the same time, although the purchase price of standard microfilm equipment does not amount to an enormous sum in many cases (averaging perhaps around £25,000 to £40,000), there can be large savings in the spending on consumables. For instance, the cost of a 100 feet roll of 16mm film has risen from about £1.20 in 1966 to around £1.76 to-day. That increase of under 50 per cent. in nine years compares very favourably with the multifold increase in the prices of most papers over the same period. And 100 feet of film can contain enough information to fill over 3,000 sheets of size A4 paper.

Furthermore, while the cost of some of the capital equipment has inevitably risen because of inflation, other equipment has actually fallen in price because of the larger economies of scale of production achieved as a result of the expanding market—the same sort of story as is happening in, say, calculators. Thus, while the costs of some reader printers and cameras has risen, the cost of equipment sold in volume, like smaller printers, has fallen.

Offset

Even so, in some cases the higher expense of the equipment is partially offset by the higher outputs, so that in the end the unit costs to the user may not have risen as fast as the capital cost of the equipment. Given these advantages, it is not really surprising that the market is growing by over 20 per cent. a year — some companies are boasting of growth

rates of over 50 per cent. — a rate which even independent experts reckon will become the norm towards the end of this decade. One of the first groups to adopt microfilm on a wide scale was United Dominions Trust (UDT), the personal finances house. In 1972 UDT acquired a camera, processor, cabinets and readers and duplicators — all the equipment necessary to run an in-house microfilm operation — for about £25,000.

The management reckons it is saving about £32,000 a year in overheads. The alternative to adopting microfilm would have been to have extended its overstretched paper filing system for customer records. When doing its sums on whether to use microfilm, the management projected a need to file some 10m. papers in 1m. customer accounts by the end of this year, and that would have required some 9,000 square feet of space. However, its customer file library at Holbrook House, Cockfosters, was already occupying 8,800 square feet of space.

The estimated £32,000 of savings stems from 70 per cent. on space and the rest on staff savings, since an increase of 50 per cent. in staff would have been necessary to service the larger paper library — a relevant point at a time when the cost of employing more staff is rising faster than the basic rate of inflation.

Another example of the large-scale use of microfilm was the conversion of the records at Companies House. This exercise is described by Mr. P. Allwood in the May edition of Management Services in Government, published by the Civil Service Department.

Records

Fifty million pages of documents in the Companies Registration Office of the Department of Trade were put on microfilm, thus helping to solve some of the problems involved in making available to the public the main bulk of company records, amounting to tens of millions of documents, with thousands of new documents being added daily. During the mid-1950s the O and M branch of the Board of Trade investigated the possibility of using microfilm or microprint cards, but neither appeared to be practical at the time.

At the beginning of 1970 Management Services embarked on another major investigation, and it was hoped that, with the development of computer techniques, part of the remedy for the Companies Registration Office might lie in an ADP system. ADP was adopted for companies in default of filing returns but offered no solution to the main bulk of records; in the end microfilm was adopted as the only practicable alternative to the present cumbersome



The use of microfilm at the BBC. Above retrieving scripts before the recent installation of a Caps Microfilm Project Three reader/printer. Below, the new system in operation. It can be used for visual and hard copy reference to BBC Radio scripts going back to 1922.



system of getting the original files out of store. Microfiche jackets — transparent jackets with sleeves into which strips of 16 mm film are fed — were chosen as the most suitable microform. A film unit started work in October 1973, on the long task of filming about 50m. pages of documents from 630,000 existing company files, some of which went back 120 years.

At peak times the storage systems holding the microfiche library at the London reading room will have to handle the retrieval of 3,000 envelopes of microfiche an hour. Twenty-four revolving suspended filing units are being supplied for each of the two libraries at Cardiff and London. Twenty-two duplicators will be installed through its keyboard or by a computer system. Other users are Barclaycard, for validation of credit card limits and Patrons and 50 in Cardiff. Of course, regular users can have their own readers and work from their offices.

SCAN has adopted the CARD unit manufactured by Image Systems to provide complete five-year annual reports and accounts for all public quoted companies. The CARD units use microfiche and can hold up to 240,000 frames of A4 size information. The system has one of the fastest retrieval times: any frame can be re-

trieved within four seconds. The unit can be driven manually or through its keyboard or by a computer system. Other users are Barclaycard, for validation of credit card limits and Patrons and 50 in Cardiff. Of course, regular users can have their own readers and work from their offices.

Separate figures for the UK are not given, but the point is made that microfilm publishing through the use of COM is expected to increase by 25 per

cent a year. By 1976 sales are expected to be over £1.5m. and by 1982 expected to be over £2.5m.

A recent example of the use of microfilm publishing by one of the experts in the field was the study by Frost and Sullivan, microfilm publishing sales are expected to increase at an average annual rate of 51 per cent. in Europe. Together with COM, this is the growth sector of the industry. The survey shows a projected growth rate for the European microfilm publishing market of \$7.5m. for 1974 to \$23m. for 1977 and \$84m. for 1982.

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"How We Solved The Paper Shortage"

More than 100 years ago, during the Franco-Prussian war, René Dugron photographed some 1,000 messages on a film two inches wide. He then strapped his film to a pigeon's leg and his message flew to Paris where it was projected by lantern on a screen and read.

That was the beginning of microfilm.

Today's microfilm systems allow you to store information in 1/50th the space you're used to.

1400 lbs. of paper will fit in your hand as 5 lbs. of microfiche.

A warehouse-full of computer printouts can be stored in a single room.

And as paper becomes increasingly more expensive and more difficult to get, the use of computer output microfilm becomes a necessity.

The MMS COM System

It's CalComp's way of putting together a COM printer, a controller with built-in magnetic tape unit and tape-cartridge drive, a keyboard printer, and the software you need for a microfiche management system. It stands alone. It does not require a host computer.

The CalComp system uses either 105 mm. microfiche or 16 mm. roll film. It can reduce images 24, 42, or 48 times. And the output emerges titled and indexed.

Job instructions can be typed in from the keyboard printer. This saves you costly re-programming.

Examine the CalComp system. We think you'll find the best performance for price in the industry.

Call your local CalComp office, or contact California Computer Products, Inc., PM-5675, 2411 West La Palma Avenue, Anaheim, California 92801. (714) 821-2011.



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We're waving flags at Bexford

Bexford, an international name in diazo microfilm production, is all-British — and proud of it. Proud too, of an export sales record which this year exceeded even our best expectations.

Technically advanced products, readily available in a comprehensive range — that's the thinking that makes Bexford Diazo Microfilm a world-wide success.

Send for more details. Or join us for a little flag waving celebration on stand 13 at Microforum (West Centre Hotel 17-20 June 1975).

BEXFORD DIAZO MICROFILM

Bexford Limited, Manningtree, Essex, England CO11 1NL Telephone Manningtree 2424



Micropublishing

MICROPUBLISHING IS the publishing and distribution of information in some form of microfilm. This involves a system by which information is recorded photographically on microfilm and is then duplicated for dissemination—the normal publishing function; but with the difference that the medium is not paper but microfilm. It is different from the normal use of microfilm in that there is not the usual need for large storage and retrieval equipment and less need for updating.

The savings to both the industry and the users can be very large. For instance in the production process there is no need for paper, inks, hard covers and the like. Thus production costs can be lower. There can also be large savings in storage space for stocks since the space required for storing microfilm systems is considerably less than for a paper system.

There are, of course, advantages when it comes to disseminating the information—with postage charges rising, the costs of distribution are rather less. Finally, there are benefits involving quick revision (especially if COM is involved) and in retrieval, since the recovery of information is faster on a microfilm system.

The idea of micropublishing is beginning to catch on, and already considerable inroads have been made in some sectors of the economy. The motor trade, for example, has embraced it as the most convenient method to package its parts catalogues, which can then be easily updated.

The system is already being used in the newspaper and magazine and general publishing industry. And it is gradu-

ally spreading to a much wider variety of users like travel agencies and manufacturing concerns for stock and valuation reports, maintenance manuals, specification sheets and so on. But the biggest potential customers are the libraries and universities, which are beginning to embrace the concept, although their actual implementation of it could conceivably be delayed by the slowdown in Government and local authority spending.

The micropublishing suppliers range from Kodak, which has the biggest installation in Europe at its Fulham plant, to a number of small bureaux who can provide an excellent and competitive service. The best is not necessarily the biggest in this sector.

Processing

Kodak Micrographics has recently decided to run down its micropublishing bureaux service, although it will obviously continue to provide the equipment and will continue to provide the full processing service on all Kodak film. The reason that it has decided to run down this side of its operation is that a number of its large customers have decided to set up their own micropublishing operations. Brian Tutt, of Kodak, admits that the company got the timing wrong—for there comes a stage in the volume of a client's microfilming business when it pays to start his own operation.

The service is being run down slowly, and any customers who want to set up their own operations are being aided by Kodak. Meanwhile, Kodak is concentrating on its COM side.

With the continuing paper shortage and cost escalation, more publishers are looking at microfilm as a means of alleviat-

ing their problems. The concept has been slow to get off the ground in Europe, as against the U.S. market, which is more advanced, but strong growth rates are predicted for the next ten years. According to an excellent study by Frost and Sullivan, micropublishing sales are expected to increase at an average annual rate of 51 per cent. in Europe. Together with COM, this is the growth sector of the industry. The survey shows a projected growth rate for the European microfilm publishing market of \$7.5m. for 1974 to \$23m. for 1977 and \$84m. for 1982.

Separate figures for the UK are not given, but the point is made that microfilm publishing through the use of COM is expected to increase by 25 per

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Markets start the new Account on a quietly dull note

Share index down 5.1 at 335.5—Glaxo ex “rights”

to 174p premium by the close. Bercham finished 4 off at 220p and Fowler 10p easier at 370p and 30p. However, Pilkington continued to meet "bear closing" after the poor results and followed last Friday's rally of 13 with a further improvement of 5 at 200p. Reckitt and Colman managed to gain 4 at 323p. Elsewhere, favour- able week-end Press comment left Central Manufacturing up 1p at 611p. Centbury Securities was better at 211p and Waterford 10p to 106p. Convertible Preference a point up at 84p premium. Unernam improved 4 to 85p in response to Press mention ahead of tomorrow's results. Norros rose to 71p on the preliminary results before ending

233 p. with the new mid-pale at 11p.
 Johnson Matthey received 9 to 10
 on the poor results of 5th August.
 Trifalgar House 5 at 10p, but
 233 p. Adverse Press commented
 on the poor results of 5th August.
 at 11p. Barrow
 Hepburn were quoted ex "rights"
 13p, with the new mid-pale at 11p.
 13p premium.
 13p premium.
 Distributors had been
 firm spots in Cuyana, up to 88p
 in response to the increased de-
 mand and profit. Turner Manu-
 facturing, 4 better at 5th August
 11p, 11p, 11p, 11p, 11p, 11p, 11p,
 Jonas Woodhead which, still on
 the results, picked up 2 more at
 75p for a two-day rise of 7. Amongst
 11p, 11p, 11p, 11p, 11p, 11p, 11p,
 11p, and Rolls-Royce, 60p, but
 closed a penny cheaper.
 A drab Paper/Printing
 market.
 11p, 11p, 11p, 11p, 11p, 11p, 11p,
 revived demand for Inverness,
 arrived at 65p, and occasional

interest in DRG, which improved 2 to 115p against the trend of most equity leaders. In News papers, Thomson eased 3 to 186p.

Leading Properties moved narrowly in idle trading. Land Securities closed 2 off at 171p after 174p, in front of to-day's preliminary statement. Amalgamated Investment and Property firmed 3 to 39p and secondary

These indices are the joint compilation of the Financial Times The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS	Monday, June 16, 1975	1 Week	2 Weeks	3 Weeks	4 Weeks	Highs and Lows Index
		ago	ago	ago	ago	
		June 13	June 12	June 11	June 10 (approx)	

GLASSO TAIL
After a steady to firm opening, miscellaneous industrial leaders declined with the general market trend in a thin business. Glass closed prominently easier in ex rights' form at \$75½, down 50, with the oil-palad, 189½ premium at the outset, defeated

ACTIVE STOCKS

Glaxo "New"	Ni/pd.	20	20	197	197	198
HCI	£1	12	284	—	4	302
and Met.	25p	11	654	—	—	198
L. Glaxo	25p	11	524	—	6	408
BP	£1	10	390	+5	5	585
EMI	50p	10	172	+5	2	200
BATS	25p	9	330	—	2	238
Charterhall Fin.	3p	8	544	+3	—	96
Distillers	50p	9	139	—	1	149

Barfins	25p	3	224		
Marks & Spencer	25p			- 3	285
Midland Bank	£1	3	280		305
Shell Transport	25p	3	316	+ 1	348
Boots	25p	3	246	- 2	276
Burmah Oil	£1	3	31	- 1	100

The above list of active stocks is based on the number of barpans recorded yesterday in the Official list and under Rule 163(1) (c).
 * Premium.

Option Report—3-month Call rates

10 a.m. 341.3 11 a.m. 341.8 Noon 336.1 1 p.m. 333.9
2 p.m. 334.7 3 p.m. 335.5
Latest index 81-245 8025. † Excluding regional exchange.
(a) Based on 32 per cent. corporation tax. (b) NH=7.00.
Basis 100 Govt. Secs. 15/10.26. Fixed int. 1923. Ind. Ord. 1/7730.

only the turn harder at 316p. "high" of 265p xd. Consoli-
while British Petroleum improved Tea and Lands. 175p xd, and
5 to 520p. New York influences Nile, 210p xd, were both 3 d

Traders. S. and W. Berisford made a firm showing at 156p, up 4, awaiting Thursday's interim results. In contrast, declines of 5 occurred in James Finlay, 120p

between in Trusts and Financials. However, Jersey General managed to rise 15 to 250p and S. Pearson hardened 5 to 123p.

Steam lost 8 to 140p. Courtaulds lacked support and drifted 5 lower to 126p in Irregular Textiles. Late publication of the results left Adfina Financials, both U.K. and seas-based, tended to although losses were much "Amgold" gave up £1 at the higher half-year and

sons. Firm at 19p in front of the results, West Cumberland Silk Mills eased on them to close only 1 better at 17p.

results from Warren. Teas Marchison pulled 15 to 875p, attracted more interest than last week's dividend cut late and closed firmer throughout. London Tin lost 7 to 170p. Warren closed 4 better at 75p, lowering the dividend to 10p. Telex rose 10 to a 1875. Beryl eased to 21p.

"LOWS" FOR 1975

The following securities (numbers in parentheses) among those quoted in the

Long John (Intl.)
BUILDINGS (2)
Aberdeen Const. Harrison (1)

ENGINEERING (1)
Lane (Percy) Wolf Elec. Tools
Sheffield Twist Drill

FOODS (2)
Nardin and Peacock Tavenor Rutledge

Anglo Trans. Inds. (Pretoria)	SOUTH AFRICANS (2)	Credit Lyonnais
Duron (Davit)	TEXTILES (2)	G. R. Dawes
	Reed (Wm.)	Duboff Brothers
	TRUSTS (3)	Duncan Lawrie

NEW LOWS (4)
DRAPEY AND STONE (1)
Stephen (J.)
INDUSTRIALS (1)

**RISES AND FALLS
YESTERDAY**

Government	154	89	371
Financial and Prop.	2	5	15
Offs	2	8	32
Plantation	18	63	70
Mines	22	20	36
Recent Houses			

Royal Trust of Canada	11
E. S. Schwab	11
Security Trust Co. Ltd.	11
Shenley Trust	11
Standard & Chartered	9

than revenue transfers to the Exchequer. . . .

Discount houses paid 9-9½ per cent in some cases for secured

market, overnight loans were in a range of about 7-10 per cent. Rates in the table below are nominal in some cases.

7-8 ₂	-	-	-	-
8 ₁ -9 ₄	-	-	-	-
8 ₁ -9	8 ₁ -9 ₂	9 ₁	8 ₁ -11	-

CORAL INDEX
Close 332-337

* Long-term local authority mortgage rate per cent. † Bank bill rates in table cent.; and four-month trade bills 184-104

[illegible]

INDICES

E. ACTIVITY

RATES

Strike ballot of ratepayers

Britain's ratepayers are being asked to vote on whether to stage a national ratepayers strike. A "Yes" vote will mean that the National Association of Ratepayers' Action Groups will call on its supporters to stop paying rates until local authorities make a serious attempt to prune spending.

CARLESS
CARLESS CAPEL & LEONARD LTD

Report and Accounts available from The Secretary, Carters, Capel and Leonard Limited, Petrol House, Hepscoot Road, Huddersfield, W. Yorkshire.

Hackney Wick, London E9 5HD.

Thames Valley Water Ltd	General Mandate V.B. Asia	Thames Valley Water (Carman) Ltd
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100

HOTELS—Continued[illegible]

MINES

"Recent Issues" and "Rights" Page 22.

Third reflation package for Japan

BY CHARLES SMITH, FAR EAST EDITOR

TOKYO, June 18.

JAPAN TO-DAY announced an eight-point package of economic measures to boost demand by about Yen1,800bn. (\$2.6bn.) in the current financial year.

It was the third set of reflation measures since February. Mr. Takeo Fukuda, chairman of the economic cabinet, said the package would play a "significant role" in lifting Japan's economy into full recovery.

This claim was contested however from within the Government by Mr. Toshio Komoto, Minister for International Trade and Industry, who has been campaigning for more decisive measures.

Mr. Komoto said after the announcement of the measures that he was not satisfied and felt it "open to question" whether they would really stimulate a recovery.

The need for the new measures was underlined by the trade figures for May which were also announced today.

Exports fell by 5 per cent. compared to May 1974 to total \$4.31bn. Imports fell by 15 per cent. the fourth consecutive monthly decline and the steepest to date, to total \$4.31bn., giving Japan a balance in its visible trade for May.

The low level of exports in May resulted in an overall balance of payment deficit of \$390m. and would seem to suggest Japan is at last beginning to be seriously affected by the payments problems of some of its major trading partners in Asia and elsewhere.

The deficit would have been larger but for a somewhat untypical surplus on long-term capital account of \$170m. This was caused by a \$240m. inflow of foreign capital mainly into Japanese securities which more than offset the outflow of direct long-term investment from Japan.

The main deficit item on the May balance sheet was invisibles, in the red by \$860m. The short-term capital balance together with errors and omissions was in equilibrium.

The exact balance between imports and exports last month contrasts with recent predictions (including some from Government sources) that Japan may run a trade surplus of anything up to \$10bn. during the fiscal year.

These predictions could clearly be falsified by a disastrous fall in the capacity of Japan's trading partners to buy its products but for the time being such fears would seem to be premature.

Seasonally adjusted trade figures which were also released today by the finance ministry give a trade surplus of \$505m. for May with exports at \$4bn. and imports at \$3.5bn.

The seasonally adjusted figures show an 8 per cent. fall in exports from April and a 1 per cent. fall in imports.

The new economic package consists of an eight-point programme with the emphasis on increased finance for housing, acceleration in the placing of public works contracts and lower deposit ratios for hire purchase buying of cars and other consumer products.

Government sources said the eight-point package should create demand totalling some Yen1,800bn. equivalent to roughly one per cent. of Japan's present GNP, but there is some doubt as to the speed with which they will take effect.

Public works contracts may not necessarily be reflected in actual demand for goods and services for up to one year after their signature. Additional government finance for housing only serves to stimulate actual housing starts if equivalent finance is available from commercial banking sources.

Editorial comment Page 18

Whitbread may bid for Long John

BY MARGARET RED

A TAKE-OVER bid may be made by the large Whitbread brewery group for Long John International, the whisky and gin concern of which 75 per cent is owned by Schenley Industries of the U.S., itself a subsidiary of the conglomerate Rapid-American Corporation.

Rapid-American, which reported a net loss of \$43.5m. (£19.1m.) for the year to January 31 1975 and recently halved its quarterly dividend to 12 cents a share, has been disposing of certain interests to reinforce cash.

It lately agreed to sell its International Player guitar company—the second largest sector of the group after Schenley's Esmark for \$210m. (\$29m.).

The announcement that talks were taking place which might lead Whitbread to make an offer for Long John was forced by a rapid upsurge in the latter's share price in the last two or three days.

After the statement, the price leapt further ahead to close 26p up at 168p, compared with 125p at the beginning of June.

At this price, Long John, whose products include Long John Scotch Whisky and Seagrams gin, is valued at \$13.4m.

Originally British, the company, incorporated in 1898,

was acquired by Schenley in 1965 and was floated on the market in 1967, with 25 per cent. of the shares being sold to outside investors.

There are now some 3,000 shareholders. The name was changed to the present one in 1971.

In 1974, Long John, which has several whisky distilleries in Scotland, made profits of \$2.4m. from sales of \$25.3m.

The Board, headed by Mr. Ian Coombe, yesterday advised holders to take no action over their shares, pending a further announcement.

The likelihood last night seemed to be that the talks, which appear to have begun with an initiative on the part of Rapid-American, may take about a fortnight.

Rapid-American has manufacturing and retail interests including a chain of clothing and other stores. As a result of its shedding certain interests this year the 1974-75 loss rates of its continuing activities are substantially lower than the total originally announced for the larger business.

Whitbread, some \$50m. (\$60m.) of whose turnover (\$225m. in 1974-75) was accounted for by wine and spirits, already acts as a distributor of Long John whisky.

See Men and Matters Page 18

Price freeze not ruled out: Mrs. Williams

BY JOHN HUNT

A PRICE FREEZE is not ruled out by the Government or one of the options open to it in curbing the high rate of inflation, Mrs. Shirley Williams, the Prices Secretary, indicated in the Commons yesterday.

But she emphasised that it would be a mistake to jump to the conclusion that this is the course of action that the Government will follow. She also stressed that any such policy would have to be accompanied by wage restraint.

She faced demands from Labour MPs for "drastic measures" after she told the House that Friday's figures for the retail price index taken over the last three months (March, April and May) grossed up to an annual rate of inflation of 31.1 per cent. She pointed out, however, that the quarterly figures had been heavily distorted by Mr. Healey's Budget.

Mr. Eric Heffer, the former Labour Minister of State for

Industry, demanded that the Government should consider the whole question of introducing a price freeze on certain commodities along the lines suggested by the ASTMS and other unions.

Mrs. Williams told him "I am interested in any such proposals and proposals coming forward at the present time from trade union leaders. But you must accept that there must be a general restraint on incomes if a price freeze is to be of any purpose."

Mr. John Biffen, the right-wing Conservative MP for Oswestry, called on her to say categorically that she would not countenance a price freeze.

But Mrs. Williams would give no such undertaking and replied: "It is the first responsibility of the Government to leave all possibilities open in dealing with the rate of inflation."

Parliament, Page 12

Simonstown agreement lapses

BY DAVID BUCHAN

THE LAST remaining defence links between Britain and South Africa were ended yesterday with the expiry of the Simonstown Agreement.

When it is operationally necessary, the Royal Navy will now only call at the Simonstown base in the Cape of Good Hope, South Africa, for refuelling and other "goodwill" visits like last October's. The long-standing tradition of co-operation between the two navies means the Royal Navy will continue to refuel there.

In the past some South African sailors have been trained in the Royal Navy, and this will become more difficult. The official White Paper on the subject will be an application for training will be treated like an application from

any other country with whom Britain has no formal treaty relationship.

Mr. Callaghan's objection has been that Royal Navy visits, such as that of last October's, have been used "as a badge of respectability, wider British interests," he said last year, "dictate that we should not appear to give aid and comfort to apartheid."

Recently, South Africa has been offering naval facilities to any "friendly nation in the West." None has accepted the invitation, although there has been speculation that some agreement might be reached with the U.S.

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THE LEX COLUMN

Hopeful signs for durables shops

The sales outlook for durable goods shops seems remarkably bright, considering the amount of sales that were pre-empted by the post-Budget boom. That, at any rate, was the message from Comet Radiovision and a number of its competitors yesterday. Comet had figures to prove it, and its shares rose an eighth to 45p on the day.

Profits in the six months to February were a fifth ahead at £1.4m. pre-tax, and for the year as a whole a substantial rise is promised. Its sales so far are 8 per cent. down on a comparable basis. But the group has cut back stock lines and overheads: the advertising budget was chopped by 35 per cent. and staff numbers by around a quarter. Since then, the post-Budget spree brought Comet the equivalent of over three months' business in a period of just 2½ weeks in April. Subsequently, of course, the picture changed dramatically, but the group hopes to be back to a normal level of sales by September.

To complete an admirable statement, Comet has produced an audited interim balance sheet, which underlines an improving cash situation. Last August, net overdrafts were £300,000 greater than tangible net worth. Half way through 1974-75, the group had net cash balances of £2.1m. and the figure is now nearer £6m. That may be temporary, but the current market capitalisation is just £5.5m.

The share price is now 50 per cent. above its Budget day level, but plenty of other durable retailers have lagged well behind a rise of some 15 per cent. by the market since mid-April. Currys and Dixons' Photographic are notable examples. In contrast the earnings indications coming from the sector are still encouraging. Currys' sales in May were almost 50 per cent. down in cash terms but the earlier buoyancy has kept profits ahead so far this year.

The sheer strength of retail sales in April can be judged by a rise of 68 per cent. by the John Lewis Partnership in the final week before the VAT increase, while, according to MERT Warehouses, the spending lavished over on to areas not affected by the higher VAT rates. As May progressed the Partnership's sales of electrical appliances began to stabilise, but retailers generally are still making heavier weather of their radio and TV set sales.

Index fell 5.1 to 335.5

Overall durable sales are still well ahead of 1974 levels, and yesterday's provisional figures suggest that for retailers generally May's setback did no more than offset April's boom. Luckily for the Chancellor, personal savings are still running at record levels—despite the opposing pressures of inflation.

Whitbread/LJI

Long John International has been a bid story for as long as most people can remember, and the shares had been whistling up in the two days prior to last night's news of an approach from Whitbread. They closed at 168p, up 26p, where the market capitalisation of £13.4m. compares with 1974 earnings of £1.1m. and shareholders' funds of £12.3m.

The balance sheet includes over £14m. of four- to five-year-old whisky and spirits at cost. But in the present unsettled state of

Spain and Sweden. In addition, it produces the equivalent of nearly 700,000 cases a year in bulk form for its present parent, Schenley Industries, which owns 75 per cent. of its shares.

The vendor, which is in turn controlled by Rapid-American, seems very likely to want to sell in one form or another, and Whitbread has not yet made its move. A year ago, it had net bank borrowings of £29m. and assets of £120m. So the market's reaction to its preliminary figures, due to-morrow, may have an important bearing on the way any bid package is financed.

Options

The evangelists from Chicago were in town yesterday preaching the benefits of an Options Exchange to a City audience apparently already a good part converted. James Dalton, vice-president of the Chicago Board Options Exchange, appearing under the auspices of brokers Bear Stearns, outlined the CBOE's expansion plans—the introduction of new as well as calls, in spring 1976, and an increase in the number of stocks included from the present 57, to 180-220 within the next 12-18 months.

The number of U.K. stocks covered on any London market would be much less—possibly only two or three dozen. The need for widely held and actively traded underlying securities. Indeed, CBOE could be in danger of selling its own capacity, though its popularity so far is undoubted.

A survey by Hedges, Stirling, for example, shows that option volume even stocks like Xerox is higher than the volume in underlying securities.

One consequent worry is that the options market is a unique property as a might divert activity in underlying securities, heightening price volatility. Mr. Dalton has already been given the figures to answer these doubts—showing, for example, the relative volatility of the stocks covered on the CBOE was remarkably similar both to the first quarter last year (so does Allied), and its present involvement in whisky and spirits, and in the stock market in 1972. Meanwhile, the share price seems to be shortening the main Long John brand total likelihood of the introduction of an options exchange, which about a quarter go to London within the next month: a decision on the brand has a major share in principle is expected within a few countries like France, Italy, months.

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